App. F. IX-4

Previous References

1935.
(Law)

File No. 56-35

Serial Nos. 1-18.

Letter References.

PRESERVED ✓ preserve

Law 69-37 (1-5)
Pris Dep No. 1/37-38

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 6 to 18

Part B for March 1937.

SUBJECT.

Alex Bank defalcation case.

WD 0418—GPB—22,500—29-8-36

10/3/37

1723/35

OFFICE OF THE DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

In all future communications please quote—
No. J1-341/35-36.
Enc.

Dated, Bangalore, the 10th Sept 1935.

Law-56-35-1

FROM

A.V. Ramanathan, Esq., B.A.,
District Magistrate,
Bangalore District.

Law
xxx
10/9/35

To

K.V. Anantaraman, Esq., B.A.,
Chief *Secretary,*
to the Government of Mysore.

SIR,

Subject:—

In forwarding herewith a copy of letter No.Nil dated 8-9-1935 from the City Superintendent of Police in the matter of the prosecution being conducted by the Public Prosecutor, B Division in the cases arising from the defalcations in the Apex Bank Ltd., as they are very important ones involving complicated questions of law, I have the honour to state that the Public Prosecutor, Bangalore Division may be appointed to conduct the prosecution in these cases. In anticipation of sanction, I have instructed the Public Prosecutor to appear and

3

Letter No.nil dated 8th September 1935, from theCity Superintendent of Police, Bangalore, to the District Magistrate, BangaloreDt.

I have the honour to state in connection with the prosecution of cases arising from the defalcations in the Apex Bank Ltd., that cases are very importantones involving complicated questions of Law. The Services ofthe Public Prosecutor are necessary and I request that the Government may kindly be moved to appoint him to conduct the Prosecutions of these cases. In the meantime, he may kindly be instructed to appear on behalf of the Prosecution in these cases.

"Copy.

For District Magistrate,
Bangalore District.

SS/10-9-35.

Sub? we a dft G.O. sanctioning for orders.
TSD 13/9

maybe sanctioned

Genl Secy 13/9

363

1699

NOTE—Contn Sheet.

WD 03594—GPB—30,000—13-7-35

T Nmn 14/9

Done 16/9/35 16/9

1834/35 P 6

In all future communications please quote
No. J1-341/35-36.
Enc 3

Tel. Address.—"DEPCOM"
Post Box No. 34.

OFFICE OF THE DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

Dated, Bangalore, the 13th Septr. *193*

Law 56-3.5-3

FROM

A.V.Ramanathan, Esq., B.A.,
District Magistrate,
Bangalore District.

Law Dept

TO

K.V. Anantaraman, Esq., B.A.,
Chief *Secretary,*
to the Government of Mysore.

Home 17/9

SIR,

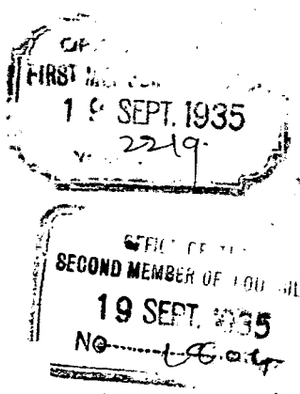
Subject:—

In continuation of this office letter No.J1-341/35-36 dated 9/11-9-1935 requesting sanction for the Public Prosecutor, Bangalore Division conducting the prosecution in the Apex Bank Defalcation case, I have the honour to forward herewith for the information of Government copies of charge-sheets placed in Crime No.12/35-36 of Chamarajpet Police Station under Sections 409, 408, 477A, 109 and 467 of Indian Penal Code, against S.Venkatasubbaiya and S.Raja Iyengar of Apex Bank, Bangalore.

I have the honor to be,
Sir,
Your most obedient servant,

District Magistrate,
Bangalore District.

SS/-.



Submitted for perusal

ISD 18/9

1st member)

2nd member)

Home 18/9

Law 19/9

20/9

Sec 23/9

Apex Bank Case / 2660

General and Revenue Secretariat | Law File No. 56 of 1935. | [App. F. III—2

Serial No.

GENERAL SECRETARIAT
1 NOV 1935
Zoo

From,

The Pr. Bde

no. nil d 29.10.35 stating that the Police have placed a charge sheet against S. Venkata Subbaya, Asst Secy, and Raja Iyengar, Accts in respect of several items, and that he is prosecuting one of the Cases, and referring matters in the Corporation panel act, where it is necessary to proceed with more than one Case against the same accused.

1) The Dr. Mgr and the Regr Coopve Societies may perhaps be Consulted in the matter. If appte a report will be called for.

ISD 31/10.

2) A copy of Pr Dr's letter may be sent to the Dr mgr & the Regr for their opinion in the matters raised

Genl Secy 31/10

3) Yes
Regr
2/11

4) Draft
Dr mgr
2/11

TYPING SECTION
1 NOV 1935

5) Draft put up
ISD 4/11

6) Issue
Dr mgr
2/11

NOTE—Contn Sheet.

WD 03594—GPB—30,000—13-7-35

Issued no. P. 3000-01 d 5.11.35.

Sec A 6/11
Please received on 18-11-35 - file no reply is req.

Apex Bank Case.

Law File No. 56 of 1935. General and Revenue Secretariat

From,

The Regr of Coop. Societies,

No. 3755 dt. 8.11.35 stating that it is too early for him to submit any opinion in the matter as the Criminal launched against the accused is not yet disposed of and that if the punishment awarded is not adequate it might become necessary to proceed with our Case also and that case for the question of withdrawing the Case against them may be deferred

Submitted for perusal with reference to para 2 supra.

Report from the D.M. may be awaited

TSD 11/11

11/11

Sec A 11/11

From,

The Dr. Mayor Bangalore

No. J1.381/35-36 dt. 11.11.35 stating that he is of opinion that the Charge sheet may be placed in all the Cases in which the police may Complete the investigation and that the enquiry in the Cases

Serial No.

may be limited to two or three strong Cases and that if these end in a Conviction, the other Cases may be withdrawn if necessary.

2) The PP says that out of the seven Charge Sheets placed by the police against Mr. S. Venkatarath and Raja Iyengar, the Case in item no. 2 (in respect of Rs 12,000) is now taken up, and proceeding in the Court, and that the Case in respect of item no. 6 (misappropriation of Rs 5000/ from the account of Mrs. Rameswamy, the wife of Rao Bahadur Rameswamy, Esq., Bombay) appears to be the strongest. He may therefore be instructed to proceed with this Case also, for the time being.

Sub: for usual orders.

TSD 13/11 The letters of the Registrar & the DP might be Sub for perusal. This is not the stage at which any question of withdrawal arises. All the cases against the accused have to be kept pending but the prosecution may for the present proceed with two or three strong cases as suggested by the DP might.

Greeseg).

This may be appd.

13/11

15/11

15/11

15/11

First Member

14 NOV. 1935

OFFICE OF THE FIRST MEMBER OF COUNCIL 15 NOV. 1935 No. 3 2967

NOTE—Contn Sheet.

WD 03594—GPB—30,000—13-7-35

9856

3067

Govt File No. 56 of 1935. General and Revenue Secretariat

14) Dft Secy's Jan appd
ISD 18/11

13) Putah Tele letter received today from Secy

PRL 18/11

From,

The D. M. Bilaspur

no. J. 341/3531 d 15.11.35 praying that the Supt of Police, Bilaspur City reports that 3 more Charge Sheets have been placed before the City Magte, Bilaspur

14) Subt for orders in ref to para 12-13 supra

ISD 19/11

15) A draft to the Deputy Commr Bilaspur is put up for approval. Copy of this will be sent to P.P.C. in reply to his letter of 29.10.35

(Prem Lal) PRL 19/11

16) Issue

PRL 20/11

To,

The D. M. Bilaspur

no. P. 3376 d 21.11.35 informing that the cases against the accused may be kept in abeyance as the prosecution may for the present proceed with 2 or 3 strong cases.

GENERAL BRANCH
19 NOV. 1935
1303

JUDICIAL SECTION
20 NOV. 1935

Sub C
22/11

6862

11

General and Revenue Secretariat | Law File No. 56 of 1935. | [App. F. III—2

Serial No.

From,

The Dist. Magte
Bijapur
no. 745/35-36 dt 12.12.36 intimating that
the accused Venkatasubbaya in Cr. 166/35-
on the file of the Dist Magte, Bijapur
has been convicted and sentenced to
R.I. for 2 yrs and to pay a fine of
Rs 1000/-

17) Submitted for perusal
1st Member
2nd Member
Hon'ble Genl Secy
Ch. Secy

(Sd) NRJ
1/12
(Sd) ONV.
4/12
(Sd) AVK
1/12
(Sd) MVM
4/12

From,

The Dist Magte
Bijapur
no. 745/35-36 dt 14.12.36 forwarding a
copy of the Judgt in the above case and
stating that the acquittal of the 2nd accused
is not correct and pointing out that
he intends to prosecute and proceed with
other cases for forgery etc.

Submitted for perusal.

18) Important portions of the Judgt are marked in
blue pencil.

19) The question of appeal

NOTE—Contn Sheet.

6/12

ISWD 03594—GPB—30,000—13-7-35

Apex Bank Case.

12

Law File No. 56 of 1935.

General and Revenue Secretariat

against the acquittal of the 2nd accused may be considered after the other cases still pending are disposed of.

Sub° for perusal of the Judgment

Genl Secy

7/2

Asst Member

8/2

GENERAL 17 FEB. 1936 21

OFFICE OF THE FIRST ASSISTANT 8 FEB. 1936

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Submitted.

The PCR, Mr Doraswamy Iyer who is here now in some other connection, says that these witnesses at Bombay and Lahore have to be examined in respect of several documents and account books which have to be exhibited through these witnesses - the Comrs at Bombay & Lahore may not be able to identify these documents before the witnesses at the time of their examn - The documents & books, he further says, are very important ones for the further prosecution of the case and all possible steps have to be taken to have them under safe custody - He therefore submits that it is quite necessary to depute a Police Inspector for the purpose - the Police officer does not record or get the evidence. He will only help the Comr there to record answers to the interrogatories sent from here -

Examination by Commission

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

as proposed in this case will be allowed under the Cr. P. Code. I do not recollect just now any precedents of that have arisen elsewhere but in the Bombay case, it was one Knight of Examining an Barristers in England on Commission, but it was afterwards given up, since he was himself commissioned to India

There have been however several instances in which parties have been represented by counsel during the examination by commission. The point proposed to be decided now is whether the Judge of a Court merely performs the duty of a Commissioner, or whether he is acting in the exercise of his judicial functions. The former view was taken by the Bombay H. Court.

Geneva. 1875

8 MAY 1930

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Serial

From,

The Dr. Mayor Bombay

No. J1-1761/35-36 dt 6.5.36 stating that
it has been found necessary to examine
two witnesses in Bombay and the Collector
of Commissioner in Calcutta with regard
to Asiatic Bank Case, as the attendance of
these witnesses cannot be secured without
an amount of delay and inconvenience
which under the circumstances appears
is unreasonable, and soliciting sanction
of Govt for deputing an officer of a
rank of a Police Inspector to the above
places and for payment of the usual T.A.
to the officer so deputed.

2) The main file is sent to the Secretariat with a report
of the Dr. Bombay. The witnesses proposed to be examined
on Commission are Mr. and Mrs. K. Ramaswamy of
Bombay and Mrs. Subramma Ramaya of Lahore,
who is said to be an invalid.

Sanction is also sought for issue

TSD 7/5

3) The City Magistrate's letter explains why
he issued a bailable warrant against
Rao Bahadur Ramaswami.

7 MAY 1936

The recommendation to depute
an officer to Bombay & Lahore as
proposed by the Dr. might be sanctioned

(Secy)

Chief Secy)

7/5

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31

8975/6875 Apex Bank Case

Law File No. 56 of 1935 — General and Revenue Secretariat

(xx) The records and commission may be sent to the magistrate by Registered Postal parcel, if necessary insured.

It is understood that some guidance from a person who knows the papers will be necessary to help the Bombay Magistrate to carry out the commission. The deputation of the Police Inspector may be permitted if necessary. He need not carry the records of the commission.

xx Member

xx Ch Sec

8/5

8/5

8/5

CHIEF SECRETARY. 8 MAY 1936

HOME DEPT. 8 MAY 1936 C 2269

9/5

9/5

9/5

xx) Dept

9/5

xx) Dft S.o. charging me as to may be appd

TYPING SECTT. 12 MAY 1936 GENL & REV. SECTT.

xx) Issue

11/5

Re D. M. D'Cruz
Compounder
G. G. P.
Dr. D'Cruz

S.o. no. 6.7499-802 of 13.5.36 sanctioning
Re Overhead.

17 7187

General and Revenue Secretariat | Law File No. 56 of 1935 | [App. F. III—2

Serial No.

From

Mr. D. H. Blow

No. J(1)-1761/35-36 dt. 21.5.36 forwarding a copy of his letter dt. 21.5.36 recd. from the Com. Magte. Blow, and soliciting sanction of Govt. for sending the records from the Police office instead of by regd. Parcel, as they are very heavy and would save unnecessary expense to Govt.

Subd for orders vide reply to para 11 supra

ISD 25/5

It is not a question of expenditure that is involved but it is whether it is not open to objection to entrust these records to the custody of a Police officer at this stage. The City Magte suggests certain safeguards being adopted for this purpose. He does not however say if the accused agree to this proceeding being adopted.

Subd for orders – Para 11 above

Genl Secy)

25/5

If it is necessary for some one to take the books and registers a messenger may be sent. The papers shd not be sent with the Police Insp. The accused may raise questions regarding seals others not being intact and other such matter and the whole case for the prosecution

GENERAL SECRETARIAT 708 25 MAY 1936

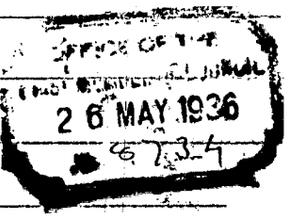
NOTE—Contn. Sheet.

Apex Bank Case
1947

File No. 56 of 1935 General and Revenue Secretariat

may thus get vitiated. The Dist. Magte will be informed accordingly

Secd
26/5



pmc
26/5

First Member)

Secd
26/5

Secd 26/5

29) Draft
pmc
27/5

Dft Secd for Sd/-
TSD 27/5

31) Issue
pmc
27/5

To,

re D. M. Nasik

no. S. 7929 d 20-5-36 informing him to send a message to Coy re records.

From,

re D. M. Nasik

no. Jl-1761/35-36 d. 10.6.36 stating that re Coy magte Nasik has reported that a clerk of his office would be deputed to take the records etc to Bombay and Satara along with the Solvee Inspectn and that he has been authorised to do so and

Apex Bank Case

1757

General and Revenue Secretariat | Law File No. 56 of 1935. | [App. F. III—2

Serial No.

requesting sanction of Govt to pay daily batta of Rs 7/- to the clerk during his stay at Bombay and Lahore.

Ref^e para 28 supra

32) Bombay and Lahore are costly places. The daily batta of Rs 7/- recommended by the D.M. seems reasonable.

Subd for orders.

ISD 17/6

33) May be sanctioned

(Govt Secy)

34) For para of concurrence

Govt Secy WC

17 JUNE 1936

FINANCE SECRETARIAT U.O.No. Fi. 3267 18 JUN. 1936 BANGALORE

17/6/36

18/6

18/6

35) 19/7.

36) Govt orders accdy

20/7

37) Draft

21/7

38) Subd with a dft G.O.

21/7

TYPING SECTION 21 JUL. 1936 GENL. & REV. SECTT.

39) Issue

40) Draft-Govt Order issued.

21/7

41) Issue

24/7

Issued to D.M. Bellary, Comptr in his P.O. No. 2 Memo 56-35-14, dated 23/7/36 sanctioning batta @ Rs 7/- per day in the Apex Bank case.

NOTE—Contn Sheet.

WD 03594—GPB—30,000—18-7-35

20 Apex Bank Case

1257/858

File No. Law 57 of 1935.	General and Revenue Secretariat
From The P. Pr., B'lore Letter no 228, dt. 4-8-36 stating that the above case is posted to 17-8-36 (36-37) 42) Subd for perusal 8/8 43) Put up 8/8	Insc 9.8.36
From The P. Pr. B'lore No. 352, dt 21-8-36 stating that the case has been adjourned to 28-8-36 for orders. 44) Subd for perusal. 3 6/8 45) Put up 27/8	Insc 27-8-36

3389/36
P 36
21

1100/36-37.

Office of the Public Prosecutor,
Bangalore Division,

Bangalore, dated 5th December 1936.

Law 56 - 35-17

OFFICE OF THE FIRST MEMBER FOR LEGISLATION
10 DEC. 1936
No. 3797

From

G.S. Doraswamy Iyer, Esq.,B.A.,B.L.,
Public Prosecutor, Bangalore.

GENERAL SECRETARY.
7 DEC. 1936
To P/W

The General Secretary to the Government of
H.H. the Maharaja of Mysore, Bangalore.

BKR

Sir,

Bangalore Sessions case. No.5/36-37. (Apex Bank case.)

I have the honour to state that orders were pronounced in the above case convicting the accused under section 467/471 and 477A & sentencing A,1 6½ years & A2 3 years R. A copy of judgment will be sent in due course.

Subl. 46) The copy of judgment will be awaited

7/12

Gen. Secy) 47) BKR 7.12

I have the honour to be,

Sir

Your most obedient servant.

GENERAL SECRETARY
7 DEC. 1936
1026

G. Doraswamy Iyer
Public Prosecutor.

First Member

49) J/BKR 10.12

18/12

Qno 14/12

TYPING SECTION
28 DEC 1936

Sec A 14-12-36

BKR 11.12

Dy/29/1/37

A dft Reply which is put up

Done Qno 29.1.37

458 / 3017

50) The P. Pr has already forwarded a copy of the operative portion of the judgment in the case (Vide flag A) In view of this it is for orders whether the letter should issue

reminder

This had been separated from the main file, hence the reminder was suggested. If the present portion of the judgment is sufficient, the reminder will not be issued

30.1.37

51) Laid in record

BNR
30.1.37

Issued No P. 4743 dt 30/1/37

Encl. A

From

The P. Pr.

Bangalore

Letter No 1516/36-37 dated 5-2-37

Forwards a copy of judgment passed in O.S.C. No. 57/36-37

52) This is a case more commonly known as Apex Bank Case in which the learned Sessions judge has passed judgment convicting and sentencing the first accused to rigorous imprisonment for 2 years and to pay a fine of Rs 2000/- or in default to undergo rigorous imprisonment for a further period of one year; and the second accused to three years R.I and to a fine of Rs. 2000/- or in default for R.I for a further period of one year

Submitted for perusal.

Judgment flagged 'R'

BNR
10.2.37

Gen. Secy)

First Member)

BNR
16.2.37

BNR
23.2.37

Apex Bank Case

25

General and Revenue Secretariat | File No. Law 56 of 1936. | [App. F. III—2

Serial No.

Subd with a dft. for approval, returning the copy of judgment.

28/2

Please keep a copy of paras 25 and 26 of the judgment when returning the judgment copy -

BKR
1-3-37

Typing Section to kindly make a copy of paras 25 and 26 of the judgment (Flag V)

1/3 BKR

Copies of paras 25 & 26 of the judgment are made fair draft is submitted for signature and orders

5/3

Copy may be kept and the PM's copy of judgment returned

BKR
5.3.37

Issued no P. 5384, dt 9-3-37

B
9-3-37

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

2830/35 P 24

POLICE DEPARTMENT. Pol 111-35-1.

Tel. Address
"POLICE."

PHONE No. 298

OFFICE OF THE
INSPECTOR-GENERAL OF POLICE IN MYSORE,

When replying please quote No. C 474/35-36

OFFICE OF THE FIRST MEMBER OF COUNCIL 8 NOV. 1935 No. 3049

Dated Bangalore, ...7th November....1935

FROM

F. A. HAMILTON, ESQ., C.I.E.,
Inspector-General of Police in Mysore,
Bangalore.

OFFICE NOV. 1935 No. 2939

To

A. V. Ramanathan, Esq., B. A.,
Chief Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

CHIEF SECRETARY 7 NOV. 1935

SECOND MEMBER OF COUNCIL 8 NOV. 1935 NO. 3511

SIR,

I have the honour to send for the information of Government a note prepared by the Investigating Officer on the Apex Bank Defalcations, showing the sums misappropriated, the modus operandi and the action taken by the Police.

I have the honour to be,
Sir,
Your most obedient servant,

Inspector General of Police.

AV.

Sec^y for perusal
7/11

2nd member
1st member
Dewan

8/11/35

Nil
8/11/35

Yo h mh to his H.
9/11

16-11-35

12-11-35

12/11/35 D.S.N is submitted for appr.

12/11/35

25

Submitted to His Highness.

I submit herewith for His Highness's gracious perusal, a note received from the Inspector General of Police on the Apex Bank defalcations indicating the action taken by the Police so far.

Mirza M. Ismail

Bangalore, DEWAN.

12th November 1935.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Note received from the Inspector General of Police on the Apex Bank defalcations.

Copy
MS
26-11-35

Order.

~~KRW~~
14|11|35

Hem
24-11-35

2830 4

27 265

General and Revenue Secretariat

Pol III - 35 - 1

UBJECT:- Note received from the Inspector General of Police on the Apex Bank defalcations.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders ~~before/after issue of orders~~.* (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

..... Department.

3659
26-11

FIRST MEMBER OF COUNCIL.

26/11

4004
26/11

SECOND MEMBER OF COUNCIL.

28/11/35

Filly Registered B

7/2/36.

29-11-35

NOTE.—Contn. sheet.

BRIEF HISTORY OF THE DEFALCATIONS AT THE APEX BANK LTD.

Mr. S. Venkatasubbiah was the Asst. Secretary of the Apex Bank from 6-3-1924 to 31-12-1934. His servic s were lent from the Office o f the Registrar of Co-operative Societies to the Apex Bank. Mr. S. Rajaiengar was the Cashier of the Bank till 8-2-28 and there-after the Chief Accountant. Rajakaryaprasakta Rao Bahadur M. Shama Rao Esqr., M.A., was the President of the Bank till 1928 and thereafter Mr. S. Venkata--krishnaiah, B.A.B.L.

2. The defalcations began in the year 1925 as -- facts elicited in the investigation so far show. From July 1925 to January 1927 six cheques for the aggre--gate amount of Rs.9000/- were drawn on the Mysore -- Bank by the President of the Bank in favour of S. -- Rajiengar for purposes of Bank transactions. These cheques were duly cashed by S. Rajiengar but the amount was not accounted for in the Books of the Bank.

3. During the end of the year 1925-1926, the -- amount misappropriated in the year ie., Rs.7000/- was shown as Advances made to the constituents on Fixed deposits and cash Credits due to the Bank just to tally the balances and hoodwink the Auditor. The same method of preparing false Balance Sheet was resorted to for the year 1926-1927. During the 1927-1928 the Auditor who was a different person seems to have demanded for Schedule of Ledger Balances and this has necessitated the accused to make false entries in the Ledgers. A sum of Rs.3000/- was falsely debited to the account of Sri Saraswati Bai (Mrs.Venkoba Rao) on 27-10-27 and Rs.3000/- to the account of Mrs. Subbamma Ramiah of Lahore, on 30-6-28. The remaining Rs.3,000/- has been shown as Balance in Bank.

29

4. Cheques were being treated as cash during this period and the Asst. Secretary was in charge of Cash over and above Rs.2000/-. A1 issued two cheques on the Devanga Bank Ltd., on 30-9-29 and 22-3-30 for Rs.4,000/- and 1,100/- respectively, When there was an overdraft in his account to the extent of Rs.667-9-0 On the basis of the principle that Cheques were cash, the amount of Rs.5,100/- was taken from the Banks cash and the two cheques replaced. In due course, these cheques were sent to Mysore Bank for realisation and were duly returned dishonoured. These were accordingly sent back to the Apex Bank. In the normal course the entries had to be reversed at the Apex Bank but in these two instances the cheques were suppressed, and the entries stood unreversed. At the end of the Official year for 1929-30, this amount of Rs.5,100/- was shown as debit against one Mr, B. Subramanaiah.

5. These false debits could not be allowed to remain as such for ever and had to be adjusted. The parties could not be approached with a demand for adjustment of the dues shown against them for obvious reasons. Hence, an application for a loan from Mrs. Rao Bahadur K. Ramaswamy was manufactured on 27-8-32 and on the basis of a forged receipt from her, a sum of Rs.11,000/- was withdrawn from the funds of the Bank on 31-8-32.

6. A sum of Rs.5,500/- was credited to the account of Mr. B. Subramaniah on 5-9-32, since another amount of Rs.350/- had been once again falsely debited to his account on 30-6-32. A sum of Rs.3,000/- was credited to the account of Mrs. Subbamma Ramaiah on 8-9-32 while Rs.2,500/- was credited to the account of Sri Saraswati Bai on9-9-32 . The amount of Rs.11,000 was thus distributed among the constituents without

without their knowledge.

7. Meanwhile one Mr. Krishna Rao, a Sowcar of Thirthahally had deposited Mysore State Loan Bonds of the face value of Rs.11,000/- with the Apex Bank in the month of June 1930. He took advances to the extent of Rs.8,500/- on the security of these bonds, in June and July 1930. He instructed the Bank in the later part of July 1930 to sell bonds deposited by him and credit the amount to his account. These bonds were sold by the accused to the Firm of Rai Bahadur Bansilal Ramratandoss of Nagpur at their Bangalore -- Branch through the Firm of Syed Abbas & Sons Ltd., Brokers, for Rs.12,114-12-10 on 4-8-30. This amount was neither brought to account nor sent to the party. The accused furnished false statements of account-s on three different dates to Mr. K. Krishna Rao, wherein it was shown that this amount was credited to his -- account, while in the books of the Bank it was shown that these bonds were returned to the party on 30-6-31. Mr. K. Krishna Rao has drawn further advances to the -- extent of Rs.9,600/- in addition to Rs.8,500/- already drawn by him. He had also deposited M.S.L. Bonds of the value of Rs.35,000/- but the bonds for Rs.30,000/- had to be sent to the Indian Bank in February 33 as per his instructions. Thus after February 1933, Mr. K. Krishna Rao owed to the Bank Rs.8,500/-+9600/- with interest on the security of a single bond for Rs.5,000/ This was a glaring irregularity which attracted the attention of the Auditor for 1933-34 who has mentioned this in his Audit Report. There was, thus an urgent necessity to cover up this irregularity, somehow or other, at least by the time of the next audit.

8. On 10-4-34 a further sum of Rs.3050/- was misappropriated by the accused by taking advantag-e of the convenient principle that cheques were cash even before realisation. On this day, a cheque for Rs.3,050/- purporting to be drawn by Mr.B.Subramanaiah on the City Co-operative Bank Ltd., was tendered by A-1, to the Cashier of the Apex Bank and the amount was taken away from the Bank's cash. Mr. B. Subra--maniah denies having given such a cheque. This -- cheque was duly sent to the Mysore Bank for realisa--tion, who in turn sent it to the City Bank for collec--tion. The cheque was returned dishonoured and duly sent to the Apex Bank. This was thereafter suppres--sed and the entries were not reversed, at the Apex Bank, nor Mr. B. Subramaniah intimated of this fact. Th-us this amount was shown as a debit against him at the end of the Official year and recovered from him long afterwards.

9. As stated in para 7, the glaring irregularity had to be covered up before the auditors for 1934-35 inspected the accounts. Hence a cheque for Rs.14,000/- was manufactured and sent to Indian Bank for credit of Mr. Krishna Rao's account, on 3-10-34. The same day a credit of Rs.14.000/- was shown in the cash -- book of the Apex Bank and the amount of Rs.9,600/- which was due from Mr. Krishna Rao was adjusted. A-1, went to the Indian Bank on the next day at the opening time and took back this cheque falsely representing that the party had paid cash at the Apex Bank. There-after the cheque was suppressed.

10. The present Asst. Secretary found that there was a difference of Rs.14,000/- when he compared the entries in the Pass Book given by the Indian Bank -- with the entries of the Apex Bank's ledger pertaining to the transactions with the Indian Bank. Eventually

32

Eventually a complaint was lodged on 17-8-35 in-respect of the false credit of Rs.14,000/- mentioned above.

11. Investigation was thereupon started and work--ing backward step by step in the scrutiny of accounts, the date of commencement of the defalcations has been carried so far back as July 1925

12. Four cases have so far been registered as follows:--

(1) on the complaint of the Secretary, Apex Bank, dated 17-8-35, Cr.No.12/35-35 of B-3, Station.

(2) On personal cognizance on scrutiny of accounts during the course of investi--gation, for the amounts of Rs.11,000/- misappropriated after forging the signa--ture of Mrs,K. Ramaswamy (please vide para 5) CroNo.24/35-36.

(3) On personal cognizance on scrutiny of accounts during the course of investigation for the amountx of Rs.7,000/- misappro--priated in the year 1925, (please vide para 1) Cr,No.39/35-36.

(4) On personal cognizance on scrutiny of -- accounts during the course of investi--gation for the amount of Rs.2,000/- -- misappropriated in the year 1926,(please vide Para 1) Cr.No.40/35-36.

Three Charge-Sheets have so far been submitted under Sections 409-477-A,467 & 109 I.P.C., in respect of Crime No.12/35-36, viz.,

33

(1) Misappropriation of Rs.12,114-12-10, being the sale proceeds of the bonds.

(2) Temporary misappropriation of Rs.5,500/- by false debit against Mr. R.Subramaniah.

(3) Misappropriation of Rs.3,050/- by the same method.

The case mentioned in No.(1) is being proceeded with (in the court) and charges have been framed -- against both the accused under Sections 408-477-A,114 I.P.C., by the Court.

Four more charge-sheets will be filed against the accused soon after the investigation is completed.

Bangalore City
6.XI.35

INSPECTOR OF POLICE,
'B' DIVISION.
(Investigating Officer)

2830
3 L 5062 of 35
P

POLICE DEPARTMENT.

Tel. Address :
"POLICE"

PHONE No. 298

OFFICE OF THE
INSPECTOR-GENERAL OF POLICE IN MYSORE,

When replying please quote No C-474-35-36

Dated Bangalore, the 12th February 1936

DESPATCHED 12 FEB. 1936

FROM

F. A. HAMILTON, Esq., C.I.E.,
Inspector-General of Police in Mysore.

OFFICE OF THE FIRST MEMBER OF COUNCIL 15 FEB. 1936 Bangalore D.S. 26

To

DEWAN'S OFFICE 17 FEB. 1936 No. 5113

A.V.Ramanathan,Esq., B.A.,
Chief Secretary to the Government of Mysore,
Bangalore

CHIEF SECRETARY. 12 FEB. 1936

SIR,

Subject :- Appex Bank Defalcation case

2830 P of 35 B...2

In continuation of my letter No.C.474/35 dated 7-11-1935 forwarding a note prepared by the Investigating Officer in the above referred case, I have the honor to state that the City Magistrate pronounced judgment in C.C.No.266/35 - (Government VS Venkatasubbiah and Raja Iyengar) convicting the first accused under Sections 408 and 477-A. I.P.C. and sentencing him to 2 years' rigorous imprisonment under Section 408 I.P.C. and to give a fine of Rs.1,000 and in default of payment of fine to undergo rigorous imprisonment for a further period of 6 months and under Section 477-A. I.P.C. to 2 years' rigorous imprisonment, the sentences of imprisonment in both cases to run concurrently. The second accused Raja Iyengar was given the benefit of doubt and was acquitted. This refers to the case of misappropriation of Rs.12,114-12-10 being the sale proceeds of the bond. The other cases are pending enquiry.

OFFICE OF THE SECOND MEMBER OF COUNCIL 15 FEB. 1936 No. 6265

I have the honor to be,
Sir,
Your most obedient servant,

INSPECTOR GENERAL OF POLICE

Submitted for kind perusal.

14/2/36.

Chief Secretary

CHIEF SECRETARY. 14 FEB. 1936

2nd Member / 1st Member Dewan

15/2

15/2

15/2/36

17-2-36

P&Rec 35 5062

Apex Bank defalcation case - Result of the trial of the cases

General and Revenue Secretariat	File No.	of 193	[App. F. III—2

Serial No.

Draft reminder calling for further report is submitted for appl.

28/4/36. The Law Secy is watching progress of this. May these papers be transferred to the Secy

28/4/36

28/4

WD 03594—GPB—30,000—13-7-35

Ex A

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

3d

Read:-

Letter No.J1-341/35-36 dated 10th September 1935 from the District Magistrate, Bangalore, soliciting in the circumstances stated sanction of Government to engage the services of the Public Prosecutor, Bangalore, to conduct the prosecution in the criminal cases arising out of the defalcations in the Apex Bank, Ltd.,

.....

Order No. P 1916-19 Law 56-35-2

Dated Bangalore, 16th September 1935.
17

S a n c t i o n e d.

M Govindaraj
for General Secretary to Government.
JSD

The District Magistrate, Bangalore,
The Comptroller to Government,
The Registrar, High Court,
The Public Prosecutor, Bangalore.

G. R. S. App. F VI—G 2]

SUBJECT 37

.....

.....

Diary. No of letter replied to .....

General and Revenue Secretariat

( )

the *193*

Date of issue 17-9- 1935.

Signed by TV M.R.J

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

To,

He D.M. B'lore

- Comptroller

- Regr H.C.

- P&M. B'lore.

Section Law

File No. 56-35

Serial No. 2

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read— Letter no. J1-341/35-3 d 10.9.35 from the Dr. Magr Bangalore soliciting in the Circumstances stated sanction of Govt to engage the services of the P.P. B'lore to Conduct the prosecution in the Criminal Case arising ~~Order thereon—No.~~ out of the defalcations in the Apex Banks Ltd.

Order:- NOP 1916-19

Sanctioned

MRL 18/9 General Secy

JSD 13/9

396

Column No.7 of the Charge Sheet in Crime No.12/35-36 of B.3 Station, Bangalore City.

Government of Mysore. | Vs.1.S.Venkatasubbaiya

2.S.Raja Iyengar.

Ss.409-408-477 A-109 I.P.C.

On receipt of a complaint from the hon. Secretary of the Mysore Provincial Co-operative Apex Bank Ltd., dated 17th August 1935, in respect of the Commission of offences of mis-appropriation of Bank funds and falsification of the amounts of the Bank by the accused a case was registered and investigated.

During the course of investigation it is disclosed that A1 being the Assistant Secretary and A2 the Accountant of the Bank, committed the offences under the said Sections by issuing two cheques for Rs.4000/- and Rs.1100/- in the nameof A1 on Devanga Bank Ltd., for the credit of Apex Bank on 30-9-29 and 22-3-30 respectively and taking the cash from the Bank and misappropriating the same. The accounts of the Bank were accordingly falsified by a fraudulent debit of Rs.5100/- in one item towards the acount of Mr.B. Subramannaiya on 30-6-30, both the cheques having been returned uncashed on 1-10-29 and 24-3-30 respectively. This sum was subsequently adjusted on 5-9-32 by showing a credit of the aqcount with interest to the account of the said witness.

Hence this charge sheet.

N.B. A further report will be submitted after all the records and documents are scrutinised and witnesses examined.

B.S.I.
9 ka Sept 35

Column No.7, of the Charge Sheet in B.3 Stn. Crime No.12/35-36.

Government of Mysore. | Vs. 1.S.Venkatasubbaiya

2.S.Raja Iyengar.

S.409-~~405~~-477 A & 109 I.P.C.

On receipt of a complaint from the Hon. Secretary of the Mysore Provincial Co-operative Apex Bank Ltd., dated 17th August 1935, in respect of the commission of offences of mis-appropriation of the Bank funds and falsification of accounts of the Bank by the accused a case under Sections 409-477A-109 I.P.C. was registered and investigated.

During the course of the investigation, it is disclosed that A1 being the Assistant Secretary and A2 the Senior Accountant of the Bank committed the offences under the said Sections by misappropriating on 4-8-34 a sum of Rs.12,114-12-10 being the sale proceeds of the State Loan bonds of the value of Rs.11,000/- deposited with the Bank by P.W.11 Mr.K. Krishna Rao and by falsifying the concerned accounts.

It is also disclosed that in the course of the same transaction the accused have committed a further act of misappropriation and falsification of accounts by showing on 3-10-34 a false credit of Rs.14,000/- to the account of the said P.W.XI Mr.K.Krishna Rao by means of a false cheque on the Indian Bank Ltd., and by fraudulently adjusting the advance amount of Rs.9600/- in settlement of his long standing dues of the Bank from the said false credit in order to cover up the previous misappropriation and falsification.

Hence this charge sheet.

N.B. A further report will be submitted after all

P.T.O.

all the records and documents are scrutinised and witnesses examined.

Column No.7 of the Charge sheet in Crime No.12/35-36 of B.3 Station, Bangalore City.

Government of Mysore. | 1.S.Venkatasubbaiya

2.S.Raja Iyengar.

S.409-477 A, 467 ~~xxxx~~ and 109 I.P.C.

On receipt of a complaint from the Hon. Secretary of the Mysore Provincial Co-operative Apex Bank Ltd., dated 17th August 35, in respect of the Commission of offences of mis-appropriation of Bank funds and falsification of accounts of the Bank by the accused, a case under Sections 409-477 A & 109 I.P.C. was registered and investigated.

During the course of investigation it is disclosed that A1 being the Assistant Secretary and A2 the Senior Accountant of the Bank, committed the offences under the~~xxx~~ said Sections by forging a cheque for Rs.3050/- on City Bank on or about 10-4-34 purporting to be drawn by Mr.B.Subramannaiya and by taking the cash from the Bank and misappropriating the sum. The accounts of the Bank were accordingly falsified by showing a fraudulent and false debit of this amount on 30-6-34 against Mr.B.Subramannaiya.

Hence this charge sheet.

N.B. ~~A~~ further report will be submitted after all the records and documents are scrutinised and witnesses examined.

Bgre

9/9.

2650 p 835

42

Law 56-35-4

Confidential.

From.

The Public Prosecutor,

Bangalore Division, Bangalore.

To.

The General Secretary to the
Government of His Highness
the Maharaja of Mysore.

No.

Dated 29th October 1935

BEN 30 OCT. 1935 Law

Sir,

Apex Bank Case. (Govt Vs. S.Venkatasubbiah).

With reference to the Government Order authorising me to prosecute in the above case, I have the honour to state that I am prosecuting one of the cases in respect of which a charge sheet has been placed by the City Police and have almost closed the case.

Refer me 31/10

The Police placed four charge sheets against S.Venkatasubbiah, the Assistant Secretary, and 2. Raja Iyengar, the Accountant of the Bank. They were in respect of the following items:-

1. In respect of a sum of Rs.5100/- misappropriated by the Assistant Secretary. The accounts have been falsified by both the accused. This was in the years 1929-30.

2. In respect of a sum of Rs.12000/- and odd misappropriated by the accused.

3. In respect of a sum of Rs.3050/- misappropriated in 1934.

4. In respect of a sum of Rs.9000/- and odd misappropriated in 1932.

The case that has been now taken up is the one in respect of the 2nd item. In this case,

Mysore State Loan Bonds of the value of Rs.11000/- which had been pledged by a constituent were sold by the Assistant Secretary without any authority from the superior officers and the proceeds misappropriated on 4-8-1930. On the same day the Assistant Secretary credited a sum almost identical with the amount misappropriated in the Mysore Bank and the amount has been transferred and credited to the account of one Mr.B. Subba Rao in respect of a private transaction. The accounts have been systematically falisfied. The evidence discloses several very serious irregularities in the accounts of the Bank. Several false entries are found and the byelaws and rules have been transgressed. It is possible and probable that some more members of the staff were atleast aware of the irregularities if not themselves parties thereto. A thorough overhauling of the accounts and a detailed investigation appear to be necessary in the interests of the Institution.

It is a matter for the consideration of Government whether it is necessary to proceed with more than one case against the same accused

The strongest case appears to be the one in respect of the last item of misappropriation referred to above. In this case Mrs. Ramaswamy, the wife of one Rao Bahadur Ramaswamy, an Engineer of Bombay, had kept a fixed deposit of nearly Rs.20,000/-. Her signature has been forged and the money misappropriated and the accounts falsified. The charge sheet in respect of this sum has not yet been placed but is likely to be placed very shortly.

A further report of the case will be sent in due course.

I have the honour to be,
S i r,
Your most obedient servant,

Public Prosecutor.

3 copies sent Apex Bank d 29.10.35

114

Appendix F G—1]

SUBJECT.....

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.....

Confidential

Section Law

File No. 56-35

Serial No. 5

Diary No. of letter replied to.....

No. P.3000-01 Govt

To 1) Hr D. M. Blue

2) Regr of Coop. Societies

General and Revenue Secretariat

( )

the *193*

Sir,

Date of issue 5/11/35

I am directed to forward herewith a ~~Copy~~ Copy of the Public Prosecutor's ~~letter~~ letter d 29.10.35 ~~received from the Pr. Blue~~ re: the Apex Bank Case (Govt vs S. Venkatasubbaraya) and to request ~~that~~ for favour of your opinion on the points raised therein in order ~~kindly to be furnished for the~~ orders of Govt early.

Signed by M.N.J.R

List of enclosures.....

I have etc

M.N.J.R

Dy Secy to Govt

30/11

Copied by .....

Examined by.....

2858

Confidential.

No. 2753 C.S.

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address:
"CO-OPERT"
BANGALORE

Dated, Bangalore, 8th November *193* 5.

Law 56-35-6

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

M. Venkatesa Iyengar, Esq., M.A.,
Secretary to Government, General Department,
B a n g a l o r e.

GENERAL BRCH
9 NOV 19
Pap

Sir,

With reference to your No.P.3000-1/Law 56-35-5 dated the 5th November 1935 forwarding copy of the Public Prosecutor's letter dated the 29th October 1935 for my opinion I have the honour to state that it is too early for me to submit any opinion in the matter as the case launched against Messrs.S.Venkatasubbaiya and Raja Iyengar is not decided and it is not known what punishment would be meted out to them if a conviction is secured. If the punishment awarded is not adequate it might become necessary to proceed with the other cases also.

Mr.S.Venkatasubbaiya was specially selected and deputed to work as Assistant Secretary and has not only betrayed the trust that was reposed in him as a Government Official but has also shaken the confidence of the public in the Apex Bank and the Co-operative Movement has received a further set back. I think therefore, that the question of withdrawing other cases against them be deferred, specially as another case of temporary mis-appropriation of Rs 7000 by Mr.Raja Iyengar has been detected recently and is under investigation of the Bank.

I have the honor to be,
Sir,
Your most obedient servant,

M. S. M

R e g i s t r a r. 8/11

2588

46 2918 p 835

In all future communications please quote
No. G.1-341/35-36
Enc.

CONFIDENTIAL.

OFFICE OF THE DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

Tel. Address.—"DEPCOM"
Post Box No. 34.

Dated, Bangalore, the 11th November *193* 5

Law 56-35-7

FROM

H.V. RAMASVAMI, ESQ., M.A.,B.L.,
District Magistrate,
Bangalore District.

To

GENERAL DEPARTMENT
11 NOV. 1935

M. VENKATESA IYENGAR, ESQ., M.A.,
Secretary,
to the Government of Mysore.
General Department,
Bangalore.

SIR,

Subject:- 4/11

With reference to your letter No.R.3000-3001/Law.56-35-5 dated 5-11-1935, calling for my opinion on certain points raised by the Public Prosecutor, Bangalore regarding the Apex Bank case, I have the honor to state that I have discussed the matter with the City Superintendent of Police. I understand that so far four charge sheets have been placed before the Court and four more cases are being - investigated by the Police and that the investigation is almost complete in these cases. Out of the four cases in the Court, charges have been framed against the accused in one case. I am of opinion that so far as the Police are concerned they may complete the investigation of the cases now with them and place charge sheets in all these cases. The enquiry in the court may however be limited to two or three very strong cases and proceedings continued in respect of them. If these end in a conviction and if this is finally confirmed in appeal (should an appeal be preferred), the other cases may then be withdrawn if necessary.

As regards the suggestion of the Public Prosecutor about a thorough overhauling of the accounts and detailed investigation, I beg to state that this is a matter which concerns the Bank and the Department of Co-operation and that these two authorities may take such - action as may be necessary in the interests of the institution.

I have the honour to be,
Sir,
Your most obedient servant,

DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

SVS.11-11-35.

47

OFFICE OF THE DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

In all future communications please quote
No.....J1.341/35-36.
Enc.

Tel. Address.—"DEPCOM"
Post Box No. 34.

Dated, Bangalore, the....15th November *1935*.

3069 J 35

FROM

H.V. RAMASVAMI, ESQ., M.A.,B.L.,
District Magistrate,
Bangalore District.

To

M. VENKATESA IYENGAR, ESQ., M.A.,
Secretary to the Government of Mysore
General Department, B a n g a l o r e.

SIR,

Subject:—APEX BANK DEFALCATION CASES.

--:oOo:--

In continuation of my letter No.J1.341/35-36 dated 11-11-1935 on the above subject, I have the honour to state that the Superintendent of Police, Bangalore City, reports that three more charge sheets as detailed below have been placed before the City Magistrate, Bangalore in respect of the Apex Bank Defalcation cases.

1. Under Sections 409, 467 or 471, 477 A and 109 I.P.C. in connection with the misappropriation of Rs.11,000/- on 31-8-1932 after forging the signature of the wife of Rao Bahadur K.Ramaswami of Bombay,

2. Under Sections 409-477A and 109 I.P.C. in connection with the misappropriation of Rs.7,000/- between 3-7-1925 and 1-3-1926 by cashing cheques drawn for bank transactions and not bringing the amount on the Bank books,

3. Under Sections 409-477A and 109 I.P.C. in connection with the misappropriation of Rs.2,000/- on 28-1-1927 and 29-1-1927 by resorting to the same method as in No.2 above.

I have the honour to be,
S i r,
Your most obedient servant,

FOR DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

SVS.15-11-35.

10 (Absent from station)

Confidential

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P 3376
Law 16-35-8

Dated, Bangalore, 20th November 1935.
21st

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The District Magistrate,
Bangalore District, Bangalore.

Sir.

With reference to the correspondence ending with your letter, dated 15th November 1935 regarding the Charge Sheets placed against Venkatasubbaiya and Raja Iyengar of the Apex Bank, Bangalore, I am directed to state that all the cases against the accused may be kept on though the prosecution may for the present proceed with two or three strong cases as suggested by you.

I have the honour to be,
Sir,
Your most obedient servant,

Sd. M. Venkatesaiengar.
General Secretary to Government.

Aga/4.

Memo No. P. 3378 Dated, Bangalore the 20th November 1935.
21st
Copy of the above is forwarded with compliments to the
for B.Co.
Registrar of Co-operative Societies in Mysore for information.

By Order,

For General Secretary to Government.

Aga/2.

Appendix F G—1]

49

SUBJECT.....

.....

.....

Confidential

Section Laws

File No. S 6-35

Serial No. 8

No. P. 3376

To Dfaupte
The Govt. Store

Sir,

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 193

Date of issue 21-11-35

Signed by M N. R. J. R.

With reference to the correspondence ending with your letter of ~~29.10.35~~ 1st-11-35 re: the Charge Sheets placed against Venkata subbaya and Rajagopalan of the Apex Bank, Store, I am directed to state that all the Cases against the accused ~~have to~~ may be kept in ~~pending~~ the proceedings may for the present proceed with two or three strong Cases as suggested by you -

I have the

me Sec'y Gen'l
19/11. TSD 18/11

List of enclosures.....

Copied by .....

Examined by.....

P. 3377 ~~dt~~ 21-11-35 -
Copies to PPr Store: with reference to
1) re ~~D.O.~~ Store's letter 29/10/35

WD 03601—GPB—30,000—23-9-35

Reg'd by Copyist

P. 3378 dt 21/11/35 -

Go 4740 p 35

No. 715
35-36
Enc. .....

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION,
DISTRICT OFFICE BUILDINGS,
Bangalore, Ist February *193* 6

FROM

G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

To

The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.

Handed in by PP's clerk at 3-30 pm 1/2/35

SIR,

RE: ~~Apex~~ Bank cases.

I have the honour to state that the Ist accused Mr. Venkatasubbiah in C.C.266/35-36 on the file of the City Magistrate, Bangalore ~~xxxxx~~ has been convicted and sentenced to suffer R.I. for 2 years for the offence under Section 408 I.P.C. and to pay a fine of Rs.1000 and in case of default of payment of fine to a further term of R.I. for 6 months. Out of the fine amount if recovered, a sum of Rs.500/- is made payable to the Mysore Provincial Co-operative Apex Bank Ltd., He is also sentenced to suffer R.I. for 2 years for an offence under Section 477-A. The sentences are to run concurrently. The second accused Raja Iyengar has been acquitted of both offences. The work of the Police officers & the present Assistant Secretary of the Bank has been appreciated.

The other cases against both the accused for offences of forgery, falsification and criminal breach of trust are posted to 3-2-36 for evidence.

Submitted for perusal

I have the honour to be,
Sir,
Your most obedient servant,

G Doraswamy Iyr.
Public Prosecutor.

1st member
2nd member
Hon Gen Secy
KHR.
& Chiefsey

Hon Secy 1/2/36/2

3/2

4/2/36

5/2

OFFICE OF THE SECOND MEMBER OF COUNCIL.
3 FEB 1936
No. 5840

4862 P 35

No. 741 35-36

Enc. Copy of judgment

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION, 5/1
DISTRICT OFFICE BUILDINGS,

Bangalore, 4th February *1936.*

FROM G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

GENERAL SECRETARIAT 5 FEB. 1936 PM

To The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.

SIR,

Apex Bank case.

I have the honour to enclose herewith a private copy of the judgment in the above case for the information of Government. In my opinion the acquittal of the accused No.2 is not correct.

The other case against both the accused was posted to today but since the counsel for the 2nd accused ~~has~~ expressed his intention of moving the District Magistrate for a transfer the court has adjourned the case to 15-2-1936.

Unless otherwise instructed I intend to prosecute and proceed with other case for forgery, breach of trust and falsification of accounts against the accused.

I have the honour to be,
Sir,
Your most obedient servant,

Doraswamy Iyer.
Public Prosecutor.

KHR.

In the court of the City Magistrate, Bangalore.

Dated the 1st day of February 1926.

Present: C.P.Ramaswamy Iyer, Esq., B.A.,
City Magistrate, Bangalore.

Criminal Case Number.220/25-26

Complainant.

Police Inspector.] Vs 1. Venkatappa.
2. Raja Reddy.

Offence punishable under section(s) 379 I.P.C.

JUDGMENT.

In this case, after recording the evidence for the prosecution and the accused, I framed a charge against the accused under section 379 I.P.C. to which they pleaded not guilty. Thereupon the witnesses for the prosecution were examined in full. The case for the prosecution briefly stated is that on the night of 28-12-25 the accused broke open the shop of one Subbaiah and stole therefrom a quantity of cloth worth about Rs.15/- and that the accused were subsequently arrested by the police and the stolen property recovered from them. The case for the prosecution is as follows:

2. [illegible] on the night of December 1925 the shop of Subbaiah was broken open by the accused, as they [illegible] and a quantity of cloth worth about Rs.15/- stolen by them. On that [illegible] the accused were arrested by the police and the stolen property recovered from them. The accused have been [illegible] for theft of Rs.15/- belonging to [illegible]. As the evidence of the witnesses for the

[illegible]

[illegible]

[illegible]

[illegible]

10.

11.

[illegible]

[illegible]

[illegible]

[illegible]

already enclosed them in the file and have then [illegible] / as given the 5 fixed deposit receipts Exp.50(a) to [illegible] bank endorsements were made at the instance of A1. [illegible] o (c). The corresponding adjustment slips Exp.48(a)to (b) [illegible] nd the corresponding entry in Exp.29(a) in the fixed depo.it register Exp.29 also were written by P.W.17. As has already been stated in the impugned judgment Exp.35. Item Nos.71,70 & 4 in Exp.35 pertain to these 3 bonds. As per Exp.24(c)item [illegible] [illegible] Bonds [illegible] [illegible] [illegible]

[illegible] Donald [illegible] Calcutta. They went to A's office at the Bank. A.W.13 [illegible] to A1 the money counting [illegible] Rs.12,176-11-10 [illegible] Rs.51(a)(b)(c) which were then in his custody on the [illegible] of the state loan bonds kept in the Bank Book. A1 made over the money to A2 for counting. A.W.13 and the others [illegible] Bank Ltd., or under the bank endorsements made by A.W.11. [illegible] A.W.15. Ramsaid Ramachandra [illegible] endorsed the bonds to Behalal and made over them to [illegible] the Comptroller's office and obtained refund bonds in [illegible] of them. These bonds were with A.W.5 [illegible] [illegible] placed them and produced them before the Court. After the [illegible] of the bonds A.W.18 wrote letters to A1 and the [illegible] [illegible] have never been traced. [illegible] 5(a).to(d) are the carbon copy of the letters sent to A1 [illegible] office after the sale of the bonds. A1 in the usual course should have obtained the bonds of the denomination of Rs.[illegible] each to meet Rs.[illegible] but he did not do so. As the bank A.W.11 instructed A1 to dispose of the 3 bonds, he made over to him the P.W. receipts Exp.50(a)(b)(c) after obtaining on them the name in [illegible] primarily taken of having received the bonds back. But as a matter of fact, he did not use the bonds again after depositing them.

7. In the Cash book Exp.30, there is no [illegible] of the [illegible] were made. In the Head Office Ledger [illegible] is shown to have been returned to A1 on 20-6-31. But the interest has been credited each for one year in all the 3 cases though in one case the bond was deposited for 6 months only i.e. 20-6-31. A2 has drafted the [illegible] [illegible] and it is to the effect that on 20-6-31, Rs.11,000/- had to find demand with the bank to be debited and credited to investment account. In para [illegible] paras 71,73 and 76. A2 has noted [illegible] [illegible] have not been made given by the Cyndro Bank to the [illegible]

2)o hand cating. ...hio loca account is shown as closed on
3-10-34 at Exp.81(6), by the payment of Rs.xxxx/-. ig interest
has been debited or collected.

...after the Lyceco ...ank...ounted the credit of
Rs.2,004-14-4 the amount has been credited on 7-6-30 to the
current deposit account of P.V....ant Exp.88(a). It is seen t
there is no credit of this amount or the sale proceeds of the
bonds of P.V.11 in the accounts of P.V.11. In Ex.P.7 on page
and in Exp.13(a), the credit of this amount to the account of
2 is found. In Exp.16 on page 171, this amount is found ...
Exp.73 on page # 71 this amount is shown under the head curre
deposit receipts. But the said book Exp.88 and other accounts
the bank are silent as to the transactions that took place
...ment on 10-8-33. P.V.11 asked the ...ank to make over
though the bank sent bonds of the face value of Rs.30,000/
P.V.11 has in all deposited U.K. bonds of the face value of
Rs.31,000/-. ...on his request to P.V.11 the bonds were returned
on 20-6-33 the adjustment slip Exp.87(a) was drawn by ...
initialled by him in support of this debit. Exp.88, is a le
that the bonds were returned on 10-2-33. ...In 1930 January
...on the open ...et ...e...ing U.K. bond of
3000/- to the Indian Bank. ...his was done as per adjustmen
Exp.88(a) dated 20-1-30. This slip is written by ...s and ini
by the present Assistant ...ecretary P.W. ...ervants ...

9. ...P.W.11 (a) ...on...ation that by about Dec
P.V.11 had taken an advance of Rs.9500/-. Exp.83(a) discuss
...tenant (marconi) for the month of June 1931 ...
the U.K. bonds of value of Rs.11,000/-. ...ere to be cons
...d entry in the journal Exp.18, preceding the memo Ex.P.7
...s in Exp.88. ...In Exp.84(a) ...an entry ...ransfer ...ccoun
...by the month of June 1931 Rs.11000/- is shown under the h
...vestment. The entries in Exp.84 and 83 and ...2 letters w
made on the basis of the entry in Exp.88 and Exp.87(a).

principl

it was absolutely necessary to post the ledger to verify the balance there. A.2 did not post the ledger inspite of several requests. So P.W.1 took up the work himself and posted the ledger and struck the balance. The balance as found in the ledger did not tally with the statement of accounts furnished by the Indian Bank and there was a difference of 14000/-. The ledger of the Apex Bank showed an extra credit of Rs 14000/-. So A.2's explanation was called for. A.2 did not give any explanation. So P.W.1 checked the cash book of the Apex Bank with the Pass book given by the Indian Bank to the Apex Bank and found that in the cash book on 3/10/34, there was credit of Rs 14000/- by cheque. It was shown as if P.W.11 had credited the amount. Challan Ex.P.55 pertaining to this alleged credit of Rs 14000/- to Apex Bank by cheque on Indian Bank was traced. It is written by A.1 and the words "cheq on Indian Bank" are written by P.W.10. As per prevailing practice, even before the realization of the cheque, the amount has been taken credit of in Ex.P.56(b) cash book (receipts) and noted in Ex.P.57(a) the cash book (payment) as remitted to the Indian Bank Ex.P.58 Pass Book of the Indian Bank does not contain the corresponding credit of Rs 14000/-. The General ledger of the Indian Bank maintained in the Apex Bank by A.2 viz., Ex.P.6(2), shows the credit of Rs 14000/- at Ex.P.69(a) (page 401).

A.1 wrote Ex.P.100 the challan for crediting the cheque for Rs 14000/- to Indian Bank and P.W.xxx 16 drafted the voucher Ex.P.100(a). Ex.P.100(a) is initialled by A.2. P.W.10 wrote his books on the basis of the statement of A.1 that he had credited a sum of Rs 14000/- in the Indian Bank to the credit of the Apex Bank. The challan Ex.P.100 and the cheque was presented on 3/10/34 to the Indian Bank too late for entry in the accounts. On 4/10/34 A.1 himself went to the Indian Bank very early and took the letter Ex.P.102 and representing that the party had paid up, took back the cheque after signing the delivery book at Ex.P.101, & suppressed the cheque. The letter Ex.P.102 bears the "No. 3636". But the 'IC' register shows that the letter 3636 had been

the letter Ex.P.102 was typed by A.1 himself. On 3/10/34, the advance of Rs.30 in P.W.11's account was shown as cleared. No interest on the bonds deposited by P.W.11 has been drawn and given credit to him.

22. On 15/8/1935, A.2 seeing that the game was up, appl applied for leave and absented himself. It is already been that for the sum of Rs.9600/- a separate page of ledger was allotted. I was very necessary to keep track of the subsequent development wi with a view to conceal the misappropriation. S. A.2 had prepare working sheets showing correct state of P.W.11's accounts from time to time. These sheets which are Ex.P.CO(a) to (e) were found by P.W.1 in the record room of the Apex Bank.

23. The accounts of the Apex Bank were being audited by the auditors. By about June 1934, in the Rama loan accounts of P.W.2 and P.W.11, the advances exceeded the sum deposited by them The auditors found many irregularities and submitted a special report and requested the Bank to take special steps to set right the matters. Ex.P.113 and Ex.D.13 are the reports in question. At the meeting of the board of Directors P.W.6 Mr.Venkatrishnia President of the Apex Bank called for Ex.P.113. But on that da A.1 absented himself and A.2 said that the report was not with hi Thereupon the audit report was suppressed. So P.W.6 got a copy of the same from the auditors and Ex.D.113(a) is the copy. Thereupon Ex.P.114 was produced. P.W.6 inspected and prepared the notes Ex.P.114 and called for A.1's explanation. A.1 explained the overdrawls in the case of P.W.11's account by a plea that as he was a very solvent person and as he pressed him for loans, he caused overdrawls to be made. As the explanation was unsatisfa P.W.6 disposed himself by warning that the amount should be credited at once. After the detection of the misappropriations commit by the accused, A.2's explanation as per Ex.P.80 was called for. But he did not give any explanation. A.1 was quietly applied for leave and went away to Bombay and returned and surrendered himself to the police on 27/3/35. On 17/8/35 P.W.22 the Deputy Registrar, Honorary Secretary, Chittoor District Co-operative

Contd.

complaint Ex.P.142 to the police and the police presented the charge-sheet in this case, the Secretary was ignorant of the said of the bonds and so that fact is not mentioned in Ex.P.142. This is short in the prosecution case.

24. Twenty three witnesses have been examined in suppo of the prosecution case. P.W.1 Mr.S.Suryanarayana Rao is the present Assistant Secretary. He has been examined to produce the various accounts and documents relied upon by the prosecutio and to speak to the events that lead to the filing of the com- plaint and about the conduct of A.2. He has not personal knowledge about the events and accounts that came into existence before he came and joined the services of the Apex Bank. It is seen from his evidence that there were overdrawls in the accounts of many other persons and that no authority is forth coming for the But the overdrawl are all for petty amounts mostly and they have been rectified quickly. Ex.P.64. 62. and 63 do not tally with the accounts of P.W.11 as found in the registers of the Bank.

25 P.W.2 Mr.Subramaniah has sworn that he issued no cheque for Rs 6100, 350, and 3050 respectively and that he did no deposit Rs 6600/- towards his loan amount on 8/9/32. P.W.1 has sworn that the interest of Rs 50/- credited on 8/9/32 in case of this amount does not cover the interest due. He has spoken in support of the prosecution story. He has sworn that he was not informed that the cheques for 6100/, 600/. and 305/- and 1700 were dishonoured. He became aware of these facts after 16/8/36 He avers that he did not draw any cheque for 14000 on 8/10/34. He adds that A.1 came and asked him to agree to receive Rs 12 Rs 12004-14-4 in discharge of the loan which late Mr.K.H.Ramiah owed him and that he agreed and that A.1 in pursuance of the agreement credited Rs 12004-14-4 to the Mysore Bank and that he returned the pronote to A.1. He avers that he did not depend A.1 to credit the amount to Mysore Bank. He appears to be rath careless about his cheque leaves.

P.W.[illegible] Superintendent, Comptroller's Office has spoken about the custody of Ex.P.33 series with him till P.W.23 took them from him.

27. P.W.4 Mr.Mahabala Bole, Agent Indian Bank has spoken about the cheque for Rs.24000/- and return of the same to A.1. He cannot say who had drawn the cheque and the name of the Bank on which it was drawn.

28. P.W.5 Mr.Krishna Rao, Assistant Secretary, Mysore City Co-operative Bank has spoken to the presentation of the cheque for Rs.3050/- and 1700/- and their non realisation. The evidence shows that both the cheques must have been drawn by A.1

29. P.W.6 Mr.Venkatakrishnaiah the President of the Apex Bank has spoken about the procedure prevailing in the Apex Bank and the conduct of the accused when brought to bay. Till 1935 there were no subsidiary rules and rules of business to regulate the working of the Bank. After the irregularities were brought to the notice of P.W.6 by the auditors, the subsidiary rules of business were framed and brought into effect. Ex.P.6 bears marked in red pencil in Ex.P.100, the meeting preceding before the formal for ulation of the subsidiary rules. He is positive that the Assistant Secretary has no power to sell any pledge loan bonds in deposit especially when there were advances pending against them. His evidence shows that A.1 was more or less allowed to have his own way and that sufficient restraint was not placed on his acts.

30. P.W.7 Mr.Venkataramaiah is the [illegible] cheques drawn by A.1 on the Devanga Bank and other matters in support of the prosecution story. He avers that he was not found in the Mysore Bank to show that the cheques for Rs.3050/- 350/- were received from the Apex Bank for realisation.

31. P.W.8 Mr.Shankar Assistant in the Accounts

Devanga Bank has spoken about the return of the 2 cheques for Rs.4000 and 1100 without encashment. He has produced several othe cheques drawn by A.1 to show that A.1 was having transactions with the Devanga Bank. Though he has no personal knowledge about what he has deposed, his evidence is based on the accounts of the Devanga Bank which are regularly maintained in course of business. His evidence is therefore admissible

32. P.W.9 Mr.Subramanyam, the counsel for P.W.11 has spoken about the various notices issued by him to Apex Bank unde the instructions of P.W.11. Those notices have been issued after P.W.11 was asked by the Apex Bank to pay the amount shown as outstanding against him in the accounts of the Apex Bank.

33. P.W.10 Sri.Narayana Rao, manager of the office of the Registrar of Co Operative Societies has produced Ex.P.131(a) (b) and (c) and spoken about the leave application of A.1 after the institution of this case. Though no leave was sanctioned, A.1 absented himself from duty,

34. P.W.11 Mr.K.Krishna Rao, is the person who deposited the bonus sum for Rs.11000/-. He has spoken in support of the prosecution case. He states that he gave Ex.P.30 series to 1st accused together with a covering letter. He admits that at this distance of time, he does not remember if he gave to A.1 personally Ex.P.30 series. The covering letter had not been produced before the court

35. P.W.1 Mr.Gopalaswami Iyengar is the honorary secretery of the Apex Bank. He is examined to corroborate P.W.6. and P.W.1 and he has done so.

A.1 sold the bonds. He states that some other clerks of the Bank were also present at the time of the sale. The sale took place a long time back and he admits that his memory about the persons who were present then is a bit haz

37. P.W.14 has deposed that about the audit of Rock Bank accounts [illegible] that A.2 open the subsequence account Ex.P.40(a) that took credit account without any permission. P.W.14 has admitted that Ex.P.133 (a) (d) and are the audit reports from 1931 to 1934 and that in these no [illegible] advances have been noted.

38. P.W.15 Dr.Seshachalam who actually purchased bonds and paid the money, has deposed in support of the prosecution. He states nothing about the presence or absence of A.2 at the time of the [illegible].

39. P.W.16 K.Srinivasa Murthi is the Cashier of the Bank. His evidence shows that he cannot positively say to whom the moneys on the cheques for Rs.3050 and 1100/- at this instance of time. Moreover A.2 used to be in charge of his duties during his temporary absence. Both [illegible] as various documents and accounts produced by the prosecution.

40. P.W.18 Dr.Ramiah, Director of the Bank has deposed that A.1 was the executive head of the Rock Bank and he was opening the tapphals.

41. P.W.19 Dr.Govinda Rao and P.W.20 Dr.Gopala Rao who were [illegible] on the motion notice 9/12/36 and 9/12/36 respectively Dr.Gopala Rao proved the various documents like Ex.P.39(a) filed by the prosecution.

42. P.W.21 Subba Rao and P.W.22 Dhana Rao who are the clerks of the Rock Bank were examined to prove the various documents and accounts of the Rock Bank. [illegible] by the Police Inspector who investigated this case and placed the charge-sheet. He proved the seals of the banks.

43. A.1 has been charged as follows:-

"That you on or about the 4th day of March 19[illegible] Bangalore City, [illegible] with common your property, to wit 3 Mysore state loan bonds Ex.P.39(a) [illegible] of the face value of Rs.1100/- in all, by the dishonest inducement practised [illegible]

duties as the Assistant Secretary of the aforesaid Bank.

committed Criminal breach of trust by failing thereby against the rules of the aforesaid Bank to P.T.M. v. Abbas for Rs.12114-12-1 and by crediting the sale proceeds to the account of P.T.M. [illegible] aforesaid Bank as per applied terms contract which you had made touching the discharge of the trust by you and thereby committed an offence punishable under Secti 408 of the Indian Penal Code.

2 That you on or about the 4th day of August 1930 at Bangalore City, being the Assistant Secretary of the Mysore Provincial Co Operative Apex Bank Limited, [illegible] and without and withmax intent to defraud, were entrusted to enter in the papers and account of the aforesaid Bank, the receipt of Rs.12114-12-1 on behalf of the Bank being the sale proceeds of 3 Mysore Government State Loan Bonds [illegible] which belonged to the Bank and which you sold to P.T.M. and there [illegible] criminal breach of trust punishable under section 409 of the Indian Penal Code.

A.1 has pleaded not guilty to these charges.

44. A.2 has been charged as follows:-

1) That you, on or about the 4th day of August 1930 at Bangalore City being the Chief Accountant of the Mysore Prov Co Operative Apex Bank Limited, Bangalore City and in such capacity having the custody of Rs.3(a) to (e) three Mysore State Loan Bonds belonging to the aforesaid Bank, abetted the commission of the Criminal Breach of Trust (punishable under section 409 of the I.P.C.) by the 1st accused S.Venkatasubbi who was then the Assistant Secretary of the Bank and the co sequence of your abetment took delivery of these bonds fro you and sold them to P.T.M. Azees Abbas for Rs.12114-12-1 an misappropriated the sale proceeds and thereby committed an offence punishable under section 409 and 114 of the Indian

(2) that you on or about the 4th day of August 1930, at Bangalore City, being the Chief Accountant of the Mysore Provincial Co-operative Bank Ltd., Bangalore City dishonestly and with intent to defraud omitted to enter in the papers and accounts of the aforesaid Bank, the receipt of Rs 12114-12-10 being the sale proceeds of the 3 Mysore State Loan Bonds Ex.P.32(a) to (c) which belonged to the Bank which had been sold to P.W.13 Azeez Abbas and thereby committed an offence punishable under Section 477(A) of the Indian Penal Code.

A.2 has pleaded not guilty to the charges.

44. P.W.1 has made the following statement before me. "It is true that I sold the 3 State Loan Bonds of Mr.A.Krishna Rao on his instructions. Mr.D.Subramaniah induced me and compelled me to deposit this amount to his account as he had some urgent need. Assuring me that he would take Mr.Krishna Rao's permission and will repay the amount within a very short time. I believed him and allowed the amount to be credited to his account. I sent reminders demanding this amount as well as his other dues to the Bank, till at least on 3/10/34, owing to extreme pressure put upon him, he [illegible] not to send it to the Mysore Bank for collection as he was heavily indebted to that Bank and that he want that Bank know of this large payment. Mr.Subramaniah also paid on that day Rs 3110/- to the Apex Bank towards the repayment of the loan of Rs 3050/-. The statement of the Cashier Mr.Sreenivasa Murthi that he paid Rs 14200/- to me is false. As desired by Mr.Subramaniah I sent the cheque for Rs 14200/- to the Indian Bank one of our collecting Agents. That very evening Mr.Subramaniah told me that he had not got sufficient funds in the City Co-operative Bank to meet his cheque and that the cheque must be returned to him, that he would pay cash. Hence I withdrew the cheque and gave it to him. Mr. Subramaniah did not pay the amount and so I could not credit the [illegible] to open a fictitious account in the name of a dead person. There was even a strong attempt to induce me to

me to shove the blame on Dr.K.H.Ramiah. It is false that I acted as intermediary for getting a loan to Dr.K.H.Ramiah. It is false that Dr.K.H.Ramiah borrowed any amount from the Bank and that I credited $ 12000/- and odd towards the repayment of any such loan. It was not my duty to maintain any registers or accounts kept in the Bank. In fact I was never entrusted with registers. I have not directed any false entries to be made in any of the accounts or records of the Bank. I am innocent of the commission of any of the offences.

A.1 has not explained satisfactorily why he wrote specifically in Ex.P.102 that the party had since paid the amount in cash, and why he sent Ex.P.62 and 63 to D.W.11.

A.2 admits having written Ex.P.62, 63, 64, and 65 to state that the 3 loan bonds were not at all in his custody and that he did not abet the omission of the offence mentioned therein. However, he admits that as accountant he was responsible for making entries in the accounts by a book reference to cashier's accounts and that as the said counterfoils got become the property of the Bank and pass through the cashier's books, he could not make entries in his registers. He states that he was not present at the time of the sale and that when the accounts had to be furnished to D.W.11, A.1 gave him Ex.P.62 and 63 and directed the letters Ex.P.62 and 63 and that Ex.P.60(b) was a rough memorandum made at the instance of A.1. He explains that Ex.P.64(a) was prepared under the instructions of A.1. He further explains that the adjustment slip Ex.P.37(a) and the entry in Ex.P.33 against items 71, 73 and 74 were made in accordance with the practice prevailing in the Bank while making up accounts. Regarding Ex. P.11 (a) and P.72, A.2 explains that these were drafted under A.1's instructions and that he has no means of knowing by whom the cheques were issued and returned dishonoured.

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46. The accused have not examined defence witnesses to

support of their case. It is argued for A.1 that 1) The witnes
are all interested and that much reliance cannot be placed on wh
they state, 2) that the subsidiary rules Ex.P.105 cannot be reli
upon to show that was the practice prevailing in the Apex Bank w
to the formulation of the subsidiary rules, 3) that the Board of
directors represent the Bank and they had not entrusted the B Dor
to A.1 and both P.W.6 and P.W.12 had not even seen the Bonds.
bonds were not endorsed in favour of the Bank. So the bonds wer
not the property of the Apex Bank and 4) so when P.W.11 returned
Ex.P.30 series, the bonds became the property of P.W.11 and when
P.W.11 gave them to A.1 for sale, they ceased to be P.W.11's prop
also. (A.I.R. 1926 Lahore Page 330 is quoted in support of this
proposition.

47. For A.2 it is argued that though Ex.P.60 (a) to 64(a) are
false to the knowledge of A.2, yet there is no evidence to show
that on or about 4-8-30, A.2 knew about the whole affair. A.2
acquired knowledge subsequently. It is submitted that there were
no rules to guide the staff in the matter. It is pointed out
that P.W.13 considered the sale to be a private transaction.

43. We will first consider the evidence against A.1. His
defence is that the bonds were not the property of the Apex Bank
at the time of the sale and that the Apex Bank had not entrusted
him [illegible] when in his capacity as the Assistant Secretary
of the Apex Bank. A.1 it is proved, had both custody of the
Apex Bank. Under section 54 of the Negotiable Instruments Act,
an endorsement in blank followed by delivery of the bond transfers
the property. In the present case, P.W.11 endorsed the bonds in
blank and gave them to the 1st accused or some other official of t
Bank, who received them on behalf of the Bank. The Fixed Deposit
Receipts were only issued to P.W.11. If A.1 as the cashier of the
Bank is given a certain sum of money by a constituent of the Bank,
for being credited to the Bank, then by virtue of his office, as t
cashier of the Bank, he is automatically invested by the Bank with

...that the cashier in his capacity as the cashier of the Bank was not entrusted with dominion over the cash by the Bank and that the Board of Directors should pay him the cash to invest him with dominion over the cash. In his capacity as his office as the Assistant Secretary of the Anex Bank and the Chief Executive Officer of the Anex Bank, A.1 was entrusted

the bonds were received in fixed deposit with the Bank. Even if the Bonds had not been endorsed at all, the bonds could never have been still the property of the Anex Bank. In relation to the fixed deposit receipts granted to P.W.11 [illegible] A.1 has not proved that he had power to repay the fixed deposit with the Bank before the maturity of the deposit. He has not even shown that he has done so in other cases. Respectable witnesses like Mr. Venkatakrishnaiah, retired District and Sessions Judge, (P.W.6) and Mr. Gopalaswamy, P.W.12, Honorary Secretary, have sworn that A.1 had no such power. Moreover advances had been granted to P.W.11 on the [illegible] deposited and A.1 had no business or power to account the fixed deposit receipts back from P.W.11 after the same had been given over to him. What does he do? [illegible] why endorsement on the bonds is not lost. If the endorsement was made in good faith, with honest intention, it should have been validated entries made in the F.D. Register. But no such entries are even [illegible] he denied at least not it notes that the deposited bonds were [illegible] as to Mr. A.Krishna Rao before the maturity, his action would have been bonafide and one could say that at least the [illegible] which was [illegible] deposit receipts was done under a mistake of fact. So A.1 committed an act which he had no power to do and his act is void.

49. A void act has no effect and the bonds were the property of the Anex Bank even though P.W.11 retained the fixed deposit receipts. Further, as admitted by A.1 himself, P.W.11 and

had instructed him to dispose of the bonds and credit them to his account in the Apex Bank. Thus when P.W.13 paid the sale proceeds to A.1, it was practically equivalent to P.W.14 paying the money to A.1 in his capacity as the Assistant Secretary of the Apex Bank for being credited to his account in the Apex Bank. A.1 therefore was entrusted with dominion over the sale proceeds by the Apex Bank in his capacity as the Assistant Secretary of the Apex Bank. He was bound to credit it to P.W.1's account to discharge the trust. Ex.P.96 and 95 the receipt book of Apex Bank, Ex.P.97 and 98 the adjustment slip for 4/8/39 and thereabouts, and the cash book Ex.P.36(a) do not make mention of the receipt of this amount on 4/8/39. A.1 states that he credited the money to P.W.2's account. If he was acting honestly he would have informed P.W.11 about the transaction also. But instead he sent to him a false note like Ex.P.62. The accused has not proved that P.W.2 told him that he would tell P.W.11 and that A.1 should credit the money to his account. Regarding the alleged cheque for Rs.600/- drawn by P.W.2, there is no evidence to show that P.W.2 drew the cheque. The number of the cheque is no where mentioned. The cheque as per challan Ex.P.[illegible] was on the Indian Bank. There is no mention of the name of P.W.2 in any of the challans. The letter Ex.P.102 is a false letter and even the number [illegible] borne by it is false. A false representation was made in Ex.P.102. If P.W.2 had given false as alleged by A.1, A.1 should have got the entries reversed. He did nothing of that sort. But on the other hand, the Khan Loan account relating to Rs.9600/- was promptly got closed. Why P.W.2 should draw a cheque for Rs.14000/- is not explained by the accused when P.W.2 had to pay Rs.12000 and odd as per A.1's statement. It stood therefore that P.W.2 had to pay A.1 to credit the amount to his current account. Though actually Rs.12114-14-4 was paid to A.1 by P.W.13, A.1 misappropriated and credited the balance to P.W.2's account. Even in the accounts Ex.P.62 and 63, the sale proceeds are mentioned as equal to Rs.12000-7-9. These facts show that A.1 was actuated by a dish

dishonest intention and that he committed criminal breach of trus
of the moneys realized by the sale of the 3 loan bonds by not
crediting them to K.W.Ll's accounts. His action caused wrongful
loss to K.W.Ll and wrongful gain to P.W.2 and himself (A.1).

49. Regarding the 2nd charge against A.1, no doub
was not maintaining any account. But as Assistant Secretary, he
had to make certain entries in the Bank papers about the sale of
these State Loan Bonds. As supervising authority, if there was
any omission, it was his duty to have the omission rectified. For
example, he should have passed a memo to the effect that the bond
had been sold as desired by K.W.Ll and that the moneys should be
kept in K.W.Ll's account. On 4/8/30, as A.1 when checking the Ca
book and initialling it, should have added the receipt of this
amount. In this sense, I hold that on 4/8/30, A.1 wilfully and
with intent to defraud also abetted the omission of entry the
receipt of Rs 12114-12-10 in the accounts of the Apex Bank and the
discharge of the F.D etc., in the accounts of the Apex Bank. Sec
tion 477 (a) I.P.C punishes abetment of falsification of accounts
It was A.1's duty to make entries or cause entries to be made if
transaction to his knowledge was not entered in the bank accounts
K.W.Ll has deposed that he had given a covering letter to A.1 whe
... deposit receipts. This letter is not before
the court.

50. It has been argued that in case of Ex.P.67-(c) F.D
... for Rs 10000 bond deposited by K.W.Ll on 17/7/30, that also
return of the receipt has been held to be good discharge by the
Apex Bank and that the bonds has been returned. This receipt was
made over to the Apex Bank long after the deposit matured and the
bond has actually made over on 17/2/1923. This transaction cannot
be said to be regular in the face of the note.XX The receipt must
be sent in endorsed by the depositor. I cannot say that the Bank
condoned this irregularity. For in Ex.P.140 this irregularity
has been noticed on 15-11-34. As explained by A.2 in Ex. ... 141
... Ex.P.67(c) may have been surrendered for the advance

51. Section 54 of the Negotiable Instrument Act states that [illegible] payable to bearer. Commentary on Section 10 of the Negotiable Instrument Act by Chitaley and Rattan Lal states that [illegible] Government promissory notes are [illegible] Bank Ltd. Vs. P.N.B. 32, are negotiable. Hence the delivery of the bonds to the Apex Bank coupled with the issue of P.D.Receipts by P.W.1 transferred the bonds to the Apex Bank. A.1 does not dispute this but the argument is that as soon as P.W.1 returned the receipts token of discharge, the bonds ceased to be the property of the Apex Bank. A fixed deposit has been held to be a loan to the Banker (vide Sargent Paget's Law of Banking page 88) and it is payable by the banker only after the lapse of the period mentioned in the receipt. The receipt is not negotiable. If the holder of the receipt returnes it to the banker before the maturity of the deposit, the debt is not discharged and the banker need not pay the deposited amount till the deposit has matured. Till he pays, the deposited amount is for all practical purposes the property of the Banker. A simple signature on the deposit receipt does not give authority to the Banker to pay over the money [illegible] (vide Practice of Bombay page 182). So legally, the bonds had become [illegible] the property of the Apex Bank when A.1 sold them.

54. The counsel for A.1. has relied upon 1926 Lahore [illegible] A.I.R. Lahore 1926 wherein a municipal committee endorsed in favour of a National Bank a war loan bond for selling it and making over the proceeds to them. The directors of the Bank who represented the Bank in its dealings [illegible] pledged it elsewhere and misappropriated the money they raised. It was held by the Lahore High Court that the property in the bond as between the municipal committee and the bank was still retained by the municipal committee and did not vest in the bank and that by misuse of the bond in a manner which was contrary to the condition

knew this fact caused unlawful loss to the Municipal committe
So what the Lahore High Court held was that as between the Ba
and the Municipal Committee the property of the bond was with
committee. This proposition, no body will dispute. But whe
an advance has been granted under the bye laws on the securit
or the bonds held by the Apex Bank, it cannot be said that as
between P.W.11 and the Apex Bank the property in the bonds va
exclusively with P.W.11. Further in the present case the bon
being held in fixed deposit, and the deposit not having matur
and not having been duly discharged, and the fixed deposit be
equivalent to a loan to the bank, the bonds were not the prop
of P.W.11 and they were the property of the Apex Bank even
[illegible] A.1 was certainly aware of these facts. The
that he has not shown that he was in every case paying fixe
deposit before their maturity, without the instructions of
President [illegible] establishes that A.1 knew that wh
was doing was unauthorized and dishonest. Once the deposi
been kept and received by the bank, A.A.Rao had no more con
over them. His directions if any must be considered as mere
requests to the Bank which could as only be granted by the
President. Further there was discharge of the deposit and
loan as the entries in the ledgers were not reversed and no
given to P.W.11 in the books of the Apex Bank. The deposit
not assigned to A.1., and could not assigned to A.1. So f
the accounts of the Bank, we have to infer that the request
P.W.11 were not complied with so far as the Bank is concern
Bank i.e., the board of directors, the President or any oth
person to whom the Bankers a corporate body had delegated i
functions had not authorized A.1 to sell the bonds. If A.1
sold the bond with the intention of crediting the sale proc
to P.W.11's account, and credited them to P.W.11's account
may have been said that his action was irregular and not di
But in the present case, his dishonest intention had to be
from two circumstances, Firstly he did not credit the entir
[illegible] to the account of [illegible]

accounted for the balance of Rs 100/-. Secondly he deliberately misrepresented to P.W.11 that the bonds were s old for Rs 11950/- vide ex.P.62 and also Ex.P.60(a) which is written by A.1. Hence he sold the bonds with a dishonest intention. It is not possible to state with what ulterior object A.1 credited Rs 12004-12-10 to P.W.2's current account.

51. His subsequent conduct in the matter is also relevant to prove his dishonest intention. Ex.P.60(a) mentions that 2700 was in suspense account was suspence account was opened on 5/9/30. A.2 has written it and there is no authority for opening it. Ex.P.60(a) must have come intoexistence on or about 4/12/193 as can be seen from Ex.P.40 (a). This together Ex.P.62 and 63 and Ex.P.55 and Ex.P.101(a) and Ex.P.102 clearly establish his dishonest intention. Hence the charge under Section 403 I.P.C is established and he is guilty of the offence punishable under Section 403 of the I.P.C.

52. Regarding the falsification of accounts, he did n cause relevant entries to be made on 4/8/1930 when the bonds were sold. At the time the cheque under Section 477 (A) I.P.C was framed, the witnesses had not deposed that the 1st accused was n writing any registers. But the evidence shows that as supervisin authority he should either have entered the transaction in the accounts or caused entries to be made. If we take Ex.P.148 cash balance register. The cash balance on 4/8/30 is shown as equal to Rs 9117-11-10, the cash register is not at all initialled by A.1. Taking into consideration all these omissions, it is clear that A.1 either omitted to enter the transaction or caused the transaction to be omitted from the accounts and papers of the Apex Bank. By his action he falsified the accounts of the Apex [illegible] he was fraudulently [illegible] Bank (P) abetted the omission also. So A.1 is guilty of the 403 charge also and guilty of the offence punishable under Sectio

53. Regarding A.2, there is only the evidence of P.W.1 that he was present at the transaction took place. P.W.13 is deposing from memory. The sale took place a long time back and his memory cannot be trusted to convict A.2 of the charge of abetment of breach of trust by A.1. His subsequent conduct is certainly open to suspicion. But we cannot on that account infer that he abetted the commission of criminal breach of trust by A.1 on 4/8/30 and falsified the accounts on 4/8/30. He has to be given the benefit of doubt and acquitted of the charges against him. The police are of course, at liberty to press other cases against and present fresh charge sheet if need be. I could not frame any charges under Section 477(A) I.P.C against both the accused in view of the decision in Sanjeeva Vs Govt of Mysore, Mysore Law Journal Vol. Page

54. It is seen from Ex.P.66(b) that Ex.P.30 series were already in the custody of the bank on 10/7/30. As per practice prevailing in this Bank (vide A.2's notice in Ex.P.141) the fixed deposit receipts used to be surrendered to the bank by parties drawing advances. The form Ex.P.66(b) also shows that such a practice existed. These receipts were therefore treated as pledged and were retained in the bank.

55. Before pronouncing the sentence I have to place on record the good work done by P.W.1 Mr.KRK Suryanarayana Rao and P.W.23 Mr.Krishna Murthi in investigating and detecting this case. They had not even the help of a certified auditor. It is obvious that the Bank was not managed in the manner in which a premier institution like the Apex Bank had to be managed. A.1 apparently was anxious to have his own way. From the proceedings book, I find that audit notes more often were not even discussed by the Board of Directors. The consideration of important matters relating to the administration of the Bank was more often adjourned for months and lost sight of finally. Ex.P.113 113 for example is a very strongly worded report and yet no tangible action was taken to improve matters as suggested therein. From the

pointed out in ex.D.13 were not looked into minutely and as usual the work of setting right the irregularities was left to A.1 and others against whom the report was made. Neither the accounts, cash, nor number of the state loan bonds of the Bank were checke regularly by the Secretary or the President. I do not know wha the Comtrollers of the Bank were doing. No where have I find th initials in the accounts produced before me. Boththe President the Honoary Secretary were gentlemen with no banking experience a So they had to rely more and more on the paid staff as the Bank expanded its business. Naturally this was ultimately disastrous to the Bank. It would not be beyond my scope if I were to sugges that it would be better for the Apex Bank to take the advise of competent auditor about the accounts of the Bank and provide mo efficieny ~~xxxxxxxx~~ checks and counterchecks to prevent such t to take heavy securities from the paid officials of the Bank t ensure their good condu...

56. Coming to the question of sentence, the offence committed by A.1 is a very grave one and deserves a deterrent punishment. As he is fairly aged, I refrained from committing to the Sessions for trial as the commission of these offences deserves a punishment far in excess of what I can inflict. C ting A.1 Venkatasubbiah of the offence punishable under Sectio I.P.C with which he has been charged, I sentence him to undergo rigorous imprisonment for two years and to pay a fine of one th thousand rupees and in default ~~xx~~ of payment of fine to undergo for a further period of six months. Convicting A.1 Venkatasubb of the offence punishable under section 477(A) I.P.C, I sentenc to undergo R.I for two years. Both the sentences awarded to A. Venkatasubbiah, shall run concurrently. Giving A.2 Rajiengar th benefit of Doubt, I acquit him under Section 253(1) of the Cr.P the charges against him. Out of the fine recovered from A.1, will under Section 545 of the Cr.P.C will be paid to Apex Bank compensation.

In open court.

6824/35

P

No. 1100

Enc. 35-36

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION, 469
DISTRICT OFFICE BUILDINGS,

Bangalore, 4th May *193* 6.

FROM

G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

GENERAL SECRETARIAT
- 4 MAY 1936

To

The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.

SIR,

E: Apex Bank case on the file of the City Magistrate, Bangalore.

I have the honour to state that in this case a commission had been ordered to be issued to examine Mr. Rao Bahadur K. Ramaswamy and Mrs. K. Ramaswamy of Bombay. Later as it was represented that they were at Mysore this case was posted to the 30th ultimo for their examination at Bangalore and summons had been sent to Mysore. The summons that was sent to Mr. Rao Bahadur K. Ramaswamy had been returned with the endorsement that he could not come. Summons had not been served on Mrs. K. Ramaswamy.

On the 30th ultimo the court ordered and issued a bailable warrant and the case was posted to the 2nd instant. On that date as the summons and warrant had not been returned the case has been adjourned to the IIth instant. Summons has been issued to Mrs. K. Ramaswamy who is stated to be at Holenarsipur.

GENERAL SECRETARIAT
- 7 MAY 1936

I have the honour to be,
Sir,
Your most obedient servant,

G S Doraswamy Iyer
Public Prosecutor.

Submitted for perusal
T.S. 6/5. It is not clear what necessity there was to issue a bailable warrant for a person of the status of Rao Bahadur Ramaswami.
KHR.

For perusal
Gen. Sec.
6/5/36

We have received a letter from the Dewan in this matter
8/5

6396/35

No. 1079/35-36

Enc.....

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION, 90
DISTRICT OFFICE BUILDINGS,

Bangalore, 24th April 193 6.

FROM

G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

To

The General Secretary to the Government of H.H.
the Maharaja of Mysore. Bangalore.

25 APR 1936

SIR,

RE: Apex Bank Case.

I have the honour to state that ~~xxx~~ an order has been passed by the court directing the issue of a commission for the examination of the following witnesses by interrogatories.

1. Rao Bhadur K. Ramaswami of Bombay
2. Mrs. K. Ramaswamy of Bombay.
3. Mrs. Puttamma Ramaiah. of Lahore.

The interrogatories have been filed into court.

I have the honour to be,
Sir,
Your most obedient servant,

D Doraswamy Iyer
Public Prosecutor.

KHR.

Subd for perusal
TSD 28/4

28/4/36.

Sec C 29

In all future communications please quote No. 761 Enc. 35-36

Tel. Address.—"DEPCOM"
Post Box No. 34.

OFFICE OF THE DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

Dated Bangalore, the.....6th..May.....*193* 6.

FROM

U.V. Ramasvami, Esq., M.A.,B.L.,
District Magistrate,
Bangalore District.

To

A.V. Ramanathan, Esq., B.A.,
Chief Secretary to Government,
Bangalore.

6 MAY 1936

SIR,

Subject:—

I have the honour to state that in connection with the trial of the Apex Bank case (C.C.528/35-36 Government Vs. S.Venkata Subbiah and S. Rajiengar) on the file of the City Magistrate, Bangalore, it has been found necessary to examine two witnesses in Bombay and one in Lahore on commission as the attendance of these witnesses cannot be secured without an amount of delay and inconvenience which, under the circumstances of the case, is unreasonable. The City Magistrate has made a reference to this office with his letter No.1307 dated 4th May 1936 requesting for the issue of the necessary commission, which is herein enclosed for kind reference and return. He has suggested that for expediting matters, it is desirable that some responsible official might be permitted to take the records and the commission with him to Bombay and Lahore for the examination of the witnesses. I am issuing separately the necessary commission to the Magistrates concerned for the examination of the witnesses.

I agree with the City Magistrate that, forthe expeditious disposal of the case, it is necessary that some responsible official should be deputed to go to the places in question. I request therefore that you may be so good as to obtain the sanction of Government for deputing an officer of the rank of a Police Inspector to the above places for the purpose referred to above and for the payment of the usual Travelling Allowances to

he officer so deputed. As the matter is urgent, I request he favour of immediate orders.

I have the honor to be,
Sir,
Your most obedient servant,

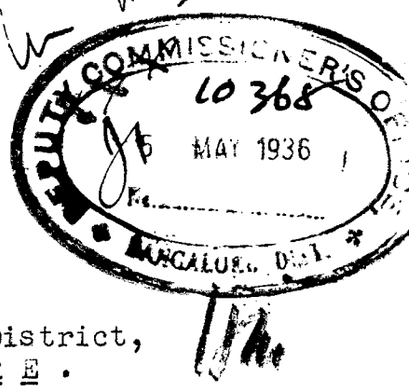
District Magistrate,
Bangalore District.

SS/-.

93

Office of the City Magistrate,
Bangalore,
Dated the 4th day of May 1936.

No. 1307 /35-36.
Encls. 6 Interrogatories, papers.



From

G.N.Nagaraja Rao., Esq., M.Sc.,
City Magistrate, Bangalore.

To

H.V.Ramaswami Esq., M.Ac.,B.L.,
District Magistrate, Bangalore District,
BANGALORE.

Sir,

I have the honor to state that in connection with the trial of the Apex Bank case (C.C.528/35-36, Government Vs S.Venkatasubbiah & S.Rajaiengar) on the file of this court, 2 prosecution witnesses from Bombay and one from Lahore have to be examined as they are the most important witnesses on behalf of the prosecution.

2. The witnesses from Bombay, Viz., Rao Bahadur Mr.K.Ramaswamy and Mrs.Ramaswamy had written to state that they cannot possibly come to Bangalore for another 2 months. But it was ascertained that they had come to Mysore on 24-4-36. So, I issued summons to them. The summons wer duly served on Rao Bahadur Mr.Ramaswamy. But he did not attend the cour on 30-3-36. I was therefore constrained to issue a bailable warrant to secure his presence before me on 2-5-36. But on account of exisgencies ~~of~~ Rao Bahadur Mr.K.Ramaswamy, appears to have left Mysore before the warrant could be executed. I learn from Mr.S.Srikantiah, Advocate that Mrs.Ramaswamy has also gone away to Bombay. It seems to me that an accou of exisgencies of service the presence of Rao Bahadur K.Ramaswamy and Mrs.Ramaswamy cannot be secured without an amount of delay, and inconvenience which under the circumstances of the case seem to be unreasonable. The other witness from Lahore Mrs.Subbamma Ramiah, appears to be an invalid as per medical certificate sent by her and perforce she has to be examined on Commission.

3. The Public Prosecutor has also filed an application for permittin him to examine all the three witnesses on Commission as the attendance of

of these witnesses cannot be secured without an amount of delay, and inconvenience which under the circumstances of the case would be unreasonable.

4. Both the accused oppose the application. But their contentions cannot be accepted and I have passed orders separately rejecting their contentions. As the attendance of these 3 witnesses cannot be secured without an amount of delay and inconvenience which under the circumstances of the case is unreasonable, in the interests of justice, it is necessary to examine the witnesses on Commission under Section 506 of the Cr.P.C. Public Prosecutor has filed the interrogatories. Inspite of the time given both the accused have not filed the cross-interrogatories till now.

5. So I am submitting herewith the interrogatories and request the favour of issuing a commission for the examination of the witnesses in Bombay and Lahore. The records are retained here being bulky and will be submitte in case they are wanted.

6. To expedite matters it is also submitted that some responsible official may be permitted to take records and Commission, with him to Bombay and Lahore for the examination of the witnesses.

I have the honor to be,

Sir,

Your most obedient servant,

City Magistrate,
Bangalore.

Sak/

[G. R. S. App. F VI—G 2]

SUBJECT ..... Plead 15/5/36. 95

.....

.....

Diary. No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

Date of issue 13-5- 193 6.

Signed by Mr N. R. J.

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

Section Law

File No. 56-35

Serial No. 6

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read— Letter no. J. 1761/35-36 dated 6th May 1936 from the Dist. Magte. B'lore stating reg in Connection with the trial of the Apex Bank Case {C.C. 526/35-36} (Govt vs S. Venkatachalapathy & others) on the file of the City Asst Sessions Court Order thereon. No. it has been found necessary to examine three witnesses on Commission, two in Bombay and one in Lahore ~~on Commission as the attendance of these witnesses cannot be secured without an amount of delay and inconvenience which under the circumstances of~~

Ag 17/5 527-4

Send that it is necessary
9.6
case is ~~unforeseen~~, and relevant
~~in the Circumstances granted~~
sanction of Govt to depute
an officer of the rank of a
Police Inspector to the above places
for the purpose ~~referred to~~ of taking the records & the Commission &
being paid the usual travelling
allowances

No. P7499-502

order: The records & the Commission may be
sent to the magistrates in Bombay
& Lahore by registered postal parcel
if necessary after getting it sufficiently
insured - The Police Inspector
need not carry the records but
he may be deputed to assist
the Bombay & Lahore Magistrates
to carry out the Commission -
Sanction is accorded to the payment
deputation of a Police Inspector ~~officer~~
~~of the rank & to the office~~
& to the payment of the
~~as recommended~~ usual T.A
~~coming to order~~ as recommended

~~Sanctioned~~

pse Govt Secy
7/5 TSD 7/5

To,

The D.M. B'bay

Comptroller

D.G.P.

for Bbay

cpy to the Govt. Secy

List of Enclosure

Copied by

Examined by

WD 03602—GPB—22,500—12-7-25

6973

NO. 1126
35-36

Enc. one

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION,
DISTRICT OFFICE BUILDINGS

Bangalore, 8th May *193* 6

FROM G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

To The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.

GENERAL 10 MAY 1936

SIR, RE: C.C.No.528/35-36 on the file of the City Magistrate, Bangalore. Apex Bank case.

I have the honour to send herewith a copy of memo No. 1313 dated the 6th instant received from the City Magistrate in the above case and to state that the next date of hearing will be intimated after I hear from the City Magistrate.

I have the honour to be,
Sir,
Your most obedient servant,

Public Prosecutor.

KHR.

6/6

Copy of memo No.I3I3 dated the 6th April I936 from the City Magistrate, Bangalore to the Public Prosecutor, Bangalore.

Please note that your appearance on I3-5-I936 in C.C.No.528/35-36 (Government VS Venkatasubbiah and another) is not necessary. The next date of hearing will be intimated to you in due course.

" Copy "

S Doraswamy Iyr

Public Prosecutor.

KHR.

XBZ.

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" Hobx

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Law 56-35-11. 718-P 225

IMMEDIATE.

In all future communications please quote
No. J1-1761/35-36.
Enc. one.

Tel. Address.—"DEPCOM"
Post Box No. 34.

OFFICE OF THE DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

Dated, Bangalore, the 22nd May *193*6

Law 56-35-11

FROM

H.V. Ramaswami, Esq., M.A., B.L.,
District Magistrate,
Bangalore District.

CHIEF SECRETARY. Law 22 MAY 1936

To

A.V. Ramanathan, Esq., B.A.,
Chief *Secretary,*
to the Government of Mysore.
Bangalore.

SIR,

Subject:—

With reference to Government order No.P.7499-502/Law 56-35-10 dated 12-5-1936 regarding the commission to be issued to Bombay and Lahore in the Apex Bank Case on the file of the City Magistrate, Bangalore, I have the honour to forward herewith a copy of letter No. 140/35-36 dated 21-5-1936 from the City Magistrate, Bangalore, in the matter of sending the records in the Apex Bank Case by Registered Postal Parcel to Bombay and Lahore for examination of witnesses on commission and to state that it is reported that there are big registers of the Apex Bank that have to be sent to Bomba, and Lahore and that the weight of the whole records would be about two and a half Bengal Maunds and that one register will be required in both the places for examination of witnesses on commission. The Magistrate states that in the above circumstances the registers cannot be sent by Registered Post and that it would be convenient and would save unnecessary expenses to Government if the records are sent with the Police Officer deputed to assist the Magistrate executing the ~~case~~ commission, the records being sent in boxes duly sealed.

In view of the fact now brought to notice, I request you to be so good as to obtain sanction of Government for sending the records with the Police Officer instead of by Registered Parcel

The favour of immediate order is requested.

I have the honour to be,

Sir,

Your most obedient servant,

For District Magistrate,

Bangalore District.

(Absent from station on tour)

RNS/

10/50

Letter No. 1401/35-36., dated the 21st May 1936, from the City Magistrate, Bangalore, to the District Magistrate, Bangalore District.-

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With reference to Government order No.P.7499-502/Law 56-35-10 dated Bangalore the 12th May 1936, for sending the records in the Apex Bank Case by Registered Postal Parcel to Bombay and Lahore for executing the commission, I have the honour to bring to your kind notice that some of the big registers of the Apex Bank have to be sent to Bombay and Lahore and the wight of the whole records to be send to Lahore will be about Two Bengal Maunds and those to Bombay will be about half a Bengal Maund and one Register will be required both at Bombay and Lahore for the examination of the witnesses on Commission.

In view of these circumstances, the records cannot be sent by Insured Post. So I suggest that it will be convenient and saving of unnecessary expense to the Government if the records are sent with the Police Officer deputed to assist the Magistrates executing the Commission. If approved the records will be placed in 2 separate boxes which will be locked and sealed with the Court-Seal and my Personal-Seal and thesample seals will be sent separately by Post to the Magistrates concerned who will be requested to compare the seals and, to certify that the seals were intact. The Magistrate concerned will be requested to seal the boxes with their seal and send sample seals to me. Ilsolicit further instructions in the matter at an early date.

(COPY)

For District Magistrate,
Bangalore District.

RNS/

102

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 28th May 1936

No. P 7929 Law 57-35 12

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The District Magistrate,

Bangalore District.

Sir,

With reference to your letter No.J.1701/35-36 dated 22nd May 1936 soliciting sanction of Government for sending the records for the commission in the Apex Bank case with the Police Officer instead of by registered parcel, I am directed to state that if it is necessary for some one to take the books and registers, a messenger may be sent for the purpose. The papers should not be sent with the Police Inspector as the accused may raise questions regarding ~~seals~~ seals etc, and their not being in tact and other such matter and the whole case for the prosecution may thus get vitiated.

I have the honour to be,

Sir,

Your most obedient servant,

For General Secretary to Government.

mk.

Appendix F G—1]

SUBJECT.....

.....

.....

Section Low

File No. 56-35

Serial No. 12

Diary No. of letter replied to.....

No. P 7929/1

To

The District Magte Nilgiris

General and Revenue Secretariat

( )

the *193*

Sir,

I have reference to your letter no. J. 1761/35-36 dt 22nd May 36 soliciting sanction of Govt for sending the records ~~with the police officer in connection with~~ for the Commissioner ~~to be sent to Bombay and Lahore~~ with the police officer instead of by registered parcel in the Apex Bank Case. I am directed to state that if it is necessary for some one to take the books and registers, a messenger may be sent for the purpose. The papers should not be sent with the police inspector as ~~it is likely~~ the accused may raise questions

Date of issue 28-5-36

Signed by M. R. J.

List of enclosures.....

Copied by VVR 29/5

Examined by.....

regarding seals and keeping in
Lodge Books matters and the Cobden
~~Centenary~~ etc. for which we shall
are for the prosecution may also be
obtained.

I have the

DML 27/5 — Gen Sec 27/5

Immediate.

In all future communications please quote
No. J1-1761/35-36.
Enc.

Tel. Address.—"DEPCOM"
Post Box No. 34.

OFFICE OF THE DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

Dated, Bangalore, the 10th JUNE *193*6.

FROM

H.V. Ramaswami, Esq., M.A., B.L.,
District Magistrate,
Bangalore District.

To

M. Venkatesa Iyengar, Esq., M.A.,
General *Secretary,*
to the Government of Mysore.
Bangalore.

GENERAL BRANCH
12 JUNE 1936

Sir,

Subject:—

Adverting to your letter No. P. 7929 Law 56-35-2 dated 28th May 1936, directing that a messenger might be sent to take the books and registers to Bombay and Lahore in the Apex Bank Case for examination of witnesses on Commission in those places, I have the honour to state that - the City Magistrate, Bangalore, has reported that a Clerk of his office would be deputed to take the records, registers, etc., to Bombay and Lahore besides the Police Inspector to assist the Magistrate in the two places to carry out Commission. He has been authorised to do so.

The Magistrate further recommends that a daily batta of Rs 2/- may be paid to the clerk who will be sent to carry the records during his stay at Bombay and Lahore.

I, therefore, request that sanction of Government may be obtained to pay daily batta of Rs 2/- to the Clerk during his stay at Bombay and Lahore.

I have the honour to be,

Sir,

Your most obedient servant,

H V Ramaswami

DISTRICT MAGISTRATE,
BANGALORE DISTRICT.

BNS/

7240(a) 238 P. 106

No. 1196.
Enc. 35-36

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION,

DISTRICT OFFICE BUILDINGS,

Bangalore, 27th May 193 6

FROM

G.S. Doraswamy Iyer, Esq.,B.A.,B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

To

The general Secretary to the Government of H.H.
the Maharaja of Mysore, Bangalore.

SIR,

Postal 27/5/36.

Sex Bank Case.

I have the honour to state that Rao Bahadur K. Ramaswamy has wired stating that he will be away from Bombay till the end of June on a long tour. I have filed an application before the City Magistrate, Bangalore praying that the issue of commission to Rao Bahadur K. Ramaswamy may be deferred till the Ist week of July.

I have the honour to be,
Sir,
Your most obedient servant,

G.S. Doraswamy Iyer.
Public Prosecutor.

KHR.

Submit for perusal
ISD
30/5

Postal
30/5

Secy 30/5

Secy 11/6/36

Proceedings of the Government of His Highness
the Maharaja of Mysore.

R e a d:-

Letter No.J1.1761/35-36 dated 10th June 1936, from the District Magistrate, Bangalore stating that the City Magistrate, Bangalore, has been authorised to depute a clerk of his office to carry the records and registers in the Apex Bank case to Bombay and Lahore along with the Police Inspector and requesting sanction of Government to pay a batta of Rs.2/- per diem to the clerk during his stay at Bombay and Lahore.

ORDER NO. P651-2 Law-S6-35-14

Dated, Bangalore, the 22nd July 1936.

S a n c t i o n e d.

for General Secretary to Government

The District Magistrate, Bangalore.
" Comptroller to Government, through the Financial Secretariat.

K.V.P.5.

G. R. S. App. F VI—G 2]

SUBJECT Apex Bank Case. 1147 Head DAll 108

Diary. No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

Section Law

File No. 56 - 35

Serial No. 14

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 23.7.36.

Signed by Mr. N.R.J.

Read— Letter No J1.1761/31-36, from the D.C. Kop', B'lore dated 10-6-36 stating that the City Magt., B'lore has ~~reported that~~ a clerk of his office ~~would be deputed~~ to carry the records, ~~etc~~, to Bombay & Lahore along with the Police Inspector, ~~and~~ ~~requesting sanction that he has been~~ ~~Order thereon No.~~ ~~been authorised to~~ ~~do so~~, and requesting sanction of Govt. to pay a ~~daily~~ batta of Rs 2/- per diem to the clerk during his stay at Bombay and Lahore.

Order P651-2

Sanctioned

Addl. Gen: Secy

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

To

(1) The D. C., B'lore

(2) The Compt thro' Fin: Dept

1/7/36.

1320 p 8-36 109

No. 364/36-37.

Enc. .....

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION,
DISTRICT OFFICE BUILDINGS,

Bangalore, 25th August 193 6

Law 56:35-15

FROM G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

To The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.

GENERAL SECTT. 28 NOV. 1936

Apex Bank fraud case.

I have the honour to state that orders were pronounced in the above case by the City Magistrate, Bangalore committing both the accused persons viz. S. Venkatasubbiah and S. Raja Iyengar to take their trial before the Sessions Judge, Bangalore. A copy of order will be obtained and as sent to Government early.

Copy of the order will be awaited

I have the honour to be,
Sir,
Your most obedient servant,

S Doraswamy Iyer
Public Prosecutor.

TYPING SECTION 5 OCT 1936 GENL & REV. SECTT.

Copy of the order has not yet been received. Dft. Submitted for approval.

Issue me orders

Issued vide P 7322-36/11

29th August 1936.

P 1470 Compl.
Law

Dear Mr.Nageswara Iyer,

Kindly see your D.O.letter No.163 dated 25th August 1936, regarding the criminal cases connected with the Apex Bank frauds. I am desired to say that there is no objection to the appeal now before the High Court being kept pending till the disposal of the case now before the Sessions Court. Government, however, do not wish to say anything at present about withdrawing the appeal now before the High Court even in the event of the 2nd accused's conviction in the case before the Sessions Court.

Yours sincerely,

29/8

A.R.Nageswara Iyer, Esq.,B.A.,B.L.,
Government Advocate, BANGALORE.

1365/P 1936

GOVERNMENT ADVOCATE'S CHAMBERS,
PUBLIC OFFICES, 11/
Bangalore, 25th August 1936.

D. O. No. 163

IMMEDIATE.

Dear Sir,

Criminal Cases now proceeding before the City Magistrate, Bangalore, re: Apex Bank Frauds.

25 AUG

With reference to our conversation of yesterday, on the above subject, I understand that one of the above cases has been committed to the Sessions for trial. If the accused is convicted in the Sessions Case, there may be no necessity to go on with the appeal that has been filed against the acquittal of the 2nd accused. Most of the documents are necessary for the appeal as also the Sessions Case.

May I know if the appeal could be kept pending till the disposal of the Sessions Case and withdrawn if 2nd accused is convicted in that case.

Yours sincerely,
V. Meagesham Iyr

M.Venkatesa Iyengar, Esq., M.A.,
General Secretary to Government,
BANGALORE.

27th August 1936.

112

Dear Mr. Nageswara Iyer,

Could you conveniently come over for a minute to speak about your suggestion regarding the Apex Bank Frauds cases. I want a small point cleared before submitting the paper for orders. Kindly excuse trouble.

Yours sincerely,

27/8

A.R.Nageswara Iyer, Esq.,B.A.,B.L.,
Government Advocate, BANGALORE.

2170 J.

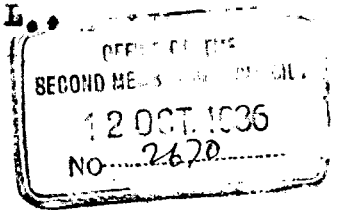
No. 642

Enc. Order requisitioned in cc C-28/X-37

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION,
DISTRICT OFFICE BUILDINGS,
113

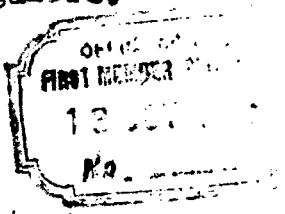
Bangalore, 7th October *1936.*

FROM G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.



To

The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.



SIR, 7/10/36

Apex Bank fraud case.

'K'

With reference to your letter No.P.2325 of the 6th instant, I have the honour to send herewith a copy of order of the City Magistrate in the above case for your perusal and return. 36

Subd for perusal.
8/10
Gen Secy) 8/10
Hon Sec'y) 8/10
KHR.
Fin. Member) 13/10/36.
Fin. Member) 17/10

I have the honour to be,
Sir,
Your most obedient servant,
Doraswamy Ir
Public Prosecutor.

B.S.C. no 57
36-37.

In the court of the City Magistrate, Bangalore.

Dated the day of August 1936.

Present. G.N.Nagaraja Rao., Esq., M.Sc.,
City Magistrate, Bangalore.

Criminal Case Number.528/36-37.

Complainant.		Accused.
Government	Vs	1. S.Venkatasubbiah. 2. S.Raja Iyengar.

OFFENCE U.Secs.409-467 or 471, 477(A) I.P.C.

O R D E R.

1. In this case, the Police Inspector , 'B' Division has ~~presented~~ presented a charge-sheet under Sections 409, 467, or 471, 477(A) and 109 of the I.P.C, on the ground that A-1 Venkatasubbiah, who was the Assistant Secretary of the Mysore Provincial Co-Operative Apex Bank Ltd., from 1924 to 1934 and A.2 who was the Chief Accountant of the same Bank till August 1935, committed the above offences between 28-8-1932 and 31-8-32. The case for the prosecution as disclosed from the evidence of the 24 prosecution witnesses examined in this case is to the following effect:

2. The Mysore Provincial Co-Operative Apex Bank has been registered under the Mysore Co-Operative Societies Regulation as per Ex.P.1 certificate of incorporation. The affairs of the Bank are regulated by registered bye-laws and Ex.P.2 contains these bye-laws. Till May 1935, no formal rules of business and subsidiary rules under the bye-laws had been framed to regulate the working of the Bank. But in May 1935, Rules of business and subsidiary rules incorporating the proceedure in practice in this Bank were formally framed and Ex.P.3 contains these rules. Al- Ven sub

Al-Venkatasubbiah who was an Inspector of Co-Operative Societies in the service of the Government of Mysore, was appointed as the Assistant Secretary of this Bank in March 1924 and he continued to be the Assistant Secretary of this Bank till the end of December 1934 when he reverted back to his old appointment. Assistant Secretary of the Apex Bank is the head of the regular staff of the Bank and according to prosecution he is also the Chief Executive Officer of the Bank. A-2 Raja Iyengar, was the Cashier of the Apex Bank from 1925-1928. From 1928 he was the Senior Accountant of the Apex Bank till the date of his suspension in August 3[illegible] A.1 was on long leave from 1-9-1932 to 28-2-1932 and during his absence A.2 was acting as the Assistant Secretary of the Apex Bank. From 1924 to 1927 P.W.20 Rao Bahadur M.-Shama Rao was the President of the Apex Bank. In 1927-28 Mr.R.A.Srinivasa Iyengar, and Mr.M.G.Rama Rao, were President for some time respectively. From 1928 up to date P.W.7 Mr.M.Venkatakrishniah has been the President. In 1925 A.1 and A.2 entered into a conspiracy to defraud the Apex Bank systematically. In pursuance of their plot A.1 and A.2 committed the following acts:-

3. On 3-7-25, P.W.20 drew a cheque Ex.P.5 for Rs 2,000/- on the Bank of Mysore and gave it to A.2 for purposes of drawing money for current transactions of the Apex Bank. The counterfoil of this cheque is Ex.P.4(a) and it has been initialled by A.1, A.2 and P.W.20. On 15-7-25, A.2 cashed the cheque himself and this fact is supported by Ex.P.6 Pass Book given by the Mysore Bank to Apex Bank. But A.2 never credited the proceeds of the ceque to the Cash book of the Apex Bank and embezzled the entire sum Consequently, the cash Book Ex.P.7 of that period does not show that Rs 2,000/- was credited to the coffers of the Apex Bank and duly entered in the Cash Book. But A.2 in his own

own hand writing has entered in Ex.P.8 the ledger, of the Bank at Ex.P.8(a) the fact of realisation of the cheque on 15/9/25. But the entry Ex.P.8(d) is written between the lines and shows that it is an interpolation. ~~Ex~~ In Ex.P.8(a), there is a cross reference to ~~Rs~~ R 96/- meaning that this sum has been brought ~~in~~ on the ledger as per receipt No.96. But receipt 96 referred to in the cross reference has nothing to do with Ex.P.8(a). Receipt No.96 marked as Ex.P.9 has been signed by A.2 as Cashier and Accountant. The false cross reference has been given purposely to mislead the auditors and thus the accounts Ex.P.7, P.8(a) were falsified to defraud the Bank and to conceal the misappropriation of Rs 2,000/-

4. On 11-9-25, P.W.20 drew ~~a~~ in favour of A.2 on the Bank of Mysore a cheque (Ex.P.11) for Rs 1,000/- to supply funds for the current transactions of the Apex Bank A.2 as cashier, cashed Ex.P.11 on 12-9-1925 and the fact of the cashing is duly noted in Ex.P.6. But A.2 after drawing Rs 1,000/- embezzled it and did not credit the money to the coffers of the Apex Bank. Consequently the receipt of this money has not been entered in the Cash Book Ex.P.7 and classified abstract of receipt Ex.P.10(b) compiled from Ex.P.7 and the journal. But in Ex.P.8, A.2 has at Ex.P.8(b) entered the receipt of Rs 1,000/- by the Apex Bank. But this entry is also an interpolated entry. Thus again Ex.P.7 and P.8 were falsified by A.2 in order to conceal the embezzlement.

5. On 15-12-1925, P.W.20 drew in favour of A.2 a cheque Ex.P.12 for Rs 2,000/- on the Bank of Mysore as money was required for the current transactions of the Apex Bank A.2 cashed the cheque on 15/12/25 as per entries on the cheque and Ex.P.6., Pass Book given by the Bank of Mysore to the Apex Bank. As in the other two cases A.2

A.2 embezzled this Rs 2,000/- also and did not enter the receipt of the amount in Ex.P.7 to show that the money has been made a part of the funds in the coffers of the Bank But he falsified the ledger Ex.P.8 by noting the fact of credit at Ex.P.8(c) which is written by him. He has Ex.P.8(c) given a cross reference to Receipt No.933 in support of the credit. Receipt ~~183~~ 933 which has been marked as Ex.P.13 and which is signed by A.2 as Cashier and Accountant does not pertain to the credit Rs 2,000/-. Thus A.2 deliberately had given a false cross reference to defraud the Bank and falsified the accounts of the Bank. Ex.P.10 calssified Abstract of receipts written from Ex.P.7 by another accountant P.W.13 Rangaswamy makes no mention of this credit of Rs 2,000/- at Ex.P.10(c).

6. On 1-3-26 , P.W.20 again drew Ex.P.~~xx~~ 14, a cheque for Rs 2,000/- on the Bank of Mysore to supply the cashier A.2 with funds for the current transactions of the Apex Bank. A.2 cashed it the same day and embezzled the money instead of crediting this money to the coffers of the Apex Bank. The cash book Ex.P.7 for 1-3-26 does not contain the entry showing the credit of Rs 2,000/- to the Apex Bank. In Ex.P.8 the general ledger of the Apex Bank there is no mention of the credit of this Rs 2,000/-. Ex.P15 the pass book given by the Mysore Bank to Apex Bank shows that Ex.P.14 was cashed on 1-3-26.

7. The financial year of the Apex Bank ends on 30th June. The test audit of the accounts by the Auditors takes place after the close of the financial year. During the course of the year 1925-26, A.2 with the connivence of A.1 had embezzled Rs 7,000/- out of the funds of the Apex Bank Even a test auditor would find out that Rs 2,000/- obtained by cashing Ex.P.14 had not been credited to Apex Bank if the accounts were not manipulated as the closing balance in Apex

in Apex Bank's Ledger folio relating to current account of the Apex Bank with the Mysore Bank, would not tally with the closi closing balance in Ex.P.15. On 6-5-1926, Rs 2,000/- was credited by some contituent to the current account of the Apex Bank in the Bank of Mysore. This credit was also not brought on the ledger Ex.P.8. Thus a debit of Rs 2,000/- on 1-3-26, was cancelled by a credit of Rs 2,000/- on 6/5/26, and the balance in the ledger Ex.P.8 will tally with the balance in Ex.P.15. In Ex.P.10, the receipt of Rs 2,000/- to the funds in the Apex Bank is not noted. But in Ex.P.16 Abstract of payments, Rs 2,000/- is shown on 11/5/1926 as having been paid to Mysore Bank for credit to current account of the Apex Bank with that Bank. By the interpolated entries Ex.P.8(a) and (c) and the omissions of the debit and credit of Rs 2,000/-, the accused managed to balance the ledger with the pass book.

8. But the cash on hand has to tally with the book balance at the end of the year and so the debit of Rs 7,000/- had t be adjusted otherwise. Ex.P.17 the printed report of the working of the Apex Bank for the year ending June 1926, shows on page 11 that the Rs 24,254-1-6 were paid towards advances on Fixed Deposit. But P.W.1 Mr.Suryanarayana Rao the present Assistant Secretary who has calculated actuall y the advance on fixed deposit ledger finds as per Ex.P.18 that only Rs 18,454-1-6 were paid as advance on fixed deposit. Thus Rs 6,000/- out of the debit of Rs 7,000/- has wiped out by falsely inflating in the balance sheet the amount advanced under the head "Advances on Fixed Deposit". Rs 1,000/- the balance of the debit was wiped out by inflating the amount paid as interest by Rs 1,000/-. The system of test audit prevalent then helped the accused to perform these acts.

9. On 27-1-1929, P.W.20 drew the cheque Ex.P.19 for Rs 1,000/- on the Bank of Mysore in g favour of A.2 for purpos of supplying A.2 with funds for the current transactions

of the Apex Bank and A.2 cashed it on 28-1-1927 and misappropriated the entire sum and did not credit the money to the coffers of the Apex Bank and take credit of the same in Ex.P.7 the daily cash book., of receipts and Ex.P.8 the general ledger of the Apex Bank which were entrusted to him for maintenance; On the same date ie., 27/1/27, P.W.20 drew another cheque Ex.P.21 for Rs 1,000/- on the Bank of Mysore and made over the cheque to A.2 to obtain funds for the current transactions of the Apex Bank. A.2 cashed this cheque on 29/1/27 and embezzled the entire amount. As in the case of Ex.P.19 the amount was not credited to the coffers of the Apex Bank, and there are no entires relating to the credit of Rs 1,000/- in the cash book Ex.P.7 or the general ledger Ex.P.8.

10. Rs 2,000/- embezzled by A.2 between 27/1/27 and 30/6/37 were very cleverly concealed. On 30-6-36, as per Mysore Bank pass books Ex.P.15 and P.20, Rs 4,000/-, Rs 2,000/- towards the current account and Rs 2,000/- towards the cash credit account were credited to the Bank of Mysore. But the credit of Rs 2,000/- towards the current account was entered in the daily cash book Ex.P.25. By this omission the debit of Rs 2,000/- caused by the embezzlement was concealed as the Bank balance tallied with the cash on hand.

11. A.2 as the Senior Accountant of the Apex Bank was also preparing the trial balances of the various accounts of the Apex Bank and preparing the balance sheet for check by auditors. He knew the previous years artifical inflation Under the head advance on Fixed Deposit and 'interest paid' could not be continued indefinitely and that inflated amounts had to be accounted for some how. So on 30/6/27, he prepared a false adjustment slip Ex.P.23 reciting that Rs 1,000/- had been debited as an error was discovered in totalling of the balance sheet of the previous year. As a matter of fact no

fact ~~the~~ no such error had occurred. As Rs 1,000/- hadbeen adjusted by means of Ex.P.23, only Rs 6,000/- inflated in the previous year had to be accounted for. For the year 1926-27, this inflated amount was carried forward as there was no way of disposing it of then. So in Ex.P.22 the printed report on the work of the Mysore Provincial Co-Operative Apex Bank ltd., during the year ending 30th June27 ~~1927~~ Advance on fixed deposit is shown on page 13, of Ex.P.22, as 62,328-8-3. P.W.1 has verified now and has found out that the actual figure ought to be Rs 6,000/- less.

12. P.W.4 Mrs.Saraswathi Bai, had a fixed deposit of Rs 10,000/- in the Apex Bank as per fixed deposit account Ex.P.26(a) in Fixed Deposit Ledger Ex.P.26 , Ex.P.27 and Ex.P.28(a) are the Fixed Deposit ~~xxxxxxx~~ receipts issued to her by the Apex Bank. She was now and then taking advances on her fixed deposit. In 1931, she withdrew the entire amount and closed her account with the Apex Bank. As she was a ~~female~~ lady not accustomed to the proceedure followed in Banks, her account came in handy for manupulation by the accused. So on 27-10-27, A.2 falsely debited to her advance on F.D.Account on page 33, of Ex.P.29 advance on F.D.Ledger, a sum of Rs 3,000/- as advance lent to P.W.4 on the security of the fixed deposit held by her. In support of this debit voucher No.1194 is quoted in Ex.P.29 page 33 But Ex.P.31 this voucher which is written by A.2 and ini-initialled by A.1 does not at all pertain to this debit. Further no on demand pronote was obtained from P.W.4. Apa~~t~~ Apart from this mere entry in Ex.P.29, there is nothing to show that any such sum was lent to P.W.4. In the same Ex.P.29 page 33, relating to this debit there is reference to receipt No.1261 Ex.P.32. But this receipt which is written by A.2 does not pertain to P.W.4. P.W.4 has denied the entire transaction. This loan of Rs 3,000/- is shown as repaid on 30/6/31 as per adjustment slip No.194 Ex.P.33 which

Ex.P.33 which is written and initialled by A.2. This adjustment slip is also a false one. Ex.P.25 daily cash book does not show that there was any payment of Rs 3,000/- to P.W.4 and the entries in the cash book for the date 27/10/1927 have been initialled by A.2 as cashier. The inflexible rule is that every payment made should be entered in the cash book on the very day and at the time the payment is made. (Thus the accused accounted for Rs 3,000/- out of the inflated Rs 6,000/- and they had to account for Rs 3,000/- yet.

13. The fixed deposit account of another ~~female~~ lady now came in handy for the purposes of the accused. P.W.23 Mrs. Subbamma Ramiah had a fixed deposit of Rs 10,000/- in the Apex Bank. This lady was also taking advances from the Apex Bank now and then on her Fixed Deposit. On 30/6/1928, A.2 falsely debited to the advance on fixed deposit account Ex.P.29 page 37 ~~22~~ of this lady, a sum of Rs 3,000/- P.W.23 has denied the ent entire transaction and produced Ex.P.134 letter written by A.1 and A.2 to show how the accused kept her in entire ignorence of the debit. The draft of Ex.P.134, which has been marked as Ex.P.134(a) shows that A.1 and A.2 wrote Ex.P.134(a) and purposely kept her in ignorence of this debit. In support this false false debit, receipt No.4276 is quoted. But receipt 4276 which has been marked as Ex.P.42 and it does not at all pertain to this transaction. In the cash book Ex.P.25 for the date 30/6/28, there is no entry showing the payment of Rs 3,000/- to P.W.3. Thus the inflated accounts were adjusted by falsely debiting Rs 6,000/- equally to P.W.4 and P.W.23 and by not showing the debit in Ex.P.25, the cash book. Ex.P.25 being the basis for all cash transactions and accounts, the inflated amount was adjusted. This is made apparent by Ex.P.39 printed copy of the balance sheet of the Apex Bank for the year ending on 30-6-1929.

14. The fixed deposit held by P.W.4 matured on 8/10/30

8/10/30 and was adjusted on 30/6/31 By this false debit of Rs 3,000/-when the adjustment was made, Rs 2,500/- over and abev above the amount drawn by her as advance on F.D.still remained unpaid and was reckoned in the accounts as on over drawl and P.W.4 could not be asked to adjust the withdrawl as she would obviously protest and cause the fraud to be discovered. For she was kept in entire ingorence of this false debit of Rs 3,000/- The accused bided their time to adjust this ob ectionable overdrawl.

15. But then other complications issued. A.1 drew a cheque in favour of himself on Devanga Bank for Rs 4,000/- and by presenting it to Apex Bank on 30/9/1929, drew 4,000/- According to the proceedure then prevalent in the Apex Bank cheques presented by wel known people and contituents were honored immediately on presentation and the amount paid showed finally in the proper head of account without waiting for the realisation of the cheque. Thus the cheque used to be treated as cash without waiting for the realisation ofthe cheque. The cheque used to be sent to Mysore Bank who were the collecting agents of the Apex Bank for realisation and the bank of Mysore used to inform them whether the cheque was realised or not. If the cheque was not realised the entries in the accounts of the Apex Bank used to be reversed and the amount paid used to be debited to the person who cashed the cheque. On 30/9/29, the cheque for Rs 4,000/- by A.1, was sent to Bank of Mysore for realisation and the Bank of Mysore informed the Apex Bank that the cheque was not realised and returned the cheque. But A.2 who had made the entry in Ex.P.51(a) ledger, the credit of Rs 4,000/- to th the account of Apex Bank in Mysore Bank by the realisation of the cheque, did not reverse the entries. Nor did the cashier P.W.3 K.R.Srinivasa Murthi reverse the entries in the Cash book. At the time A.1 drew Rs 4,000 - by means of the cheque on Devanga Bank, A.1 had in his exclusive person

personal custody all the cash in the Bank. On 20/2/1930, A.1 again drew a cheque for Rs 1,100/- on the Devanga Bank and by presenting it to Apex Bank cashed it and drew Rs 1,100/-. This cheque was also sent to the Bank of Mysore for realisation and was returned dishonoured. But the corresponding entries in the ledger were not reversed by A.2 and P.W.3 did not also reverse the entries in the cash book. The prosecution story is that A.1 who used to open the tappals, ~~xxxxxxxx~~ supressed the letter of the Mysore Bank enclosing the dishonoured cheque and intimating that it was not realised. But A.2 who was keeping the ledger and who was occasionally looking into the Pass Book given by the Mysore Bank to Apex Bank ~~most~~ must have noticed that these cheques were not realised. But he abetted A.1 in hiding this fact., and Rs 5,100/- fraudulently and dishonestly drawn by A.1 was not debited to him.

16. But Rs 5,100/- so embezzled had to be accounted for This was done by A.2 by debitting the amount to some other person other than A.1. On 30/6/1930 A.2, prepared., the adjustment slip Ex.P.57(a) and debitted falsely Rs ~~5,400~~ 5,100/- to P.W.16 Mr.B.Subramanyiah as constituent of the Apex Bank. Ex.P.57(a) recites that Rs 5,100/- has been debitted to the advance on F.D account of P.W.16 as cheque for Rs 5,100/- drawn by him and paid out at the Apex Bank was dishonoured. P.W.10 denies having drawn any such cheque and cashing the same at the Apex Bank. There is nothing in the other records of the Apex Bank to show that Rs 5,100/- was paid to P.W.16 on a cheque drawn by him and that that cheque was dishonoured. There is no reference in the Bank of Mysore to show that any such cheque was sent to the Bank of Mysore for realisation as they were the collecting agents of the Apex Bank. Nor is this transaction noted in Ex.P.58 the journal and Ex.P.51, general ledger. Ex.P.51 is maintained by A.2 , but this debit has been noted in Ex.P.56 page 59 and Ex.P.59 page 59., abstract of payments and

and receipts for 30-6-30. In Ex.P.60 advance on F.D.Ledger at Ex.P.60(a) Rs 5,100/- has been debitted to P.W.16 as an advance on F.D. These facts are ~~come out~~ bared out by other documents in the Apex Bank. In Ex.P.60(a) it is noted that a pronote was obtained from P.W.16. But there is no such pronote forthcoming and no reference to the alleged ~~xxxxxx~~ cheque of P.W.16 is also forthcoming. There is no entry showing that prior to the debit credit to the extent of Rs 5,200/- was given to P.W.16.

17. On 30-6-1932, A.1 and A.2 again debitted Rs 350/- to the advance on F.D.account of P.W.16 as per adjustment slip Ex.P.66(a). This debit is found in Ex.P.70 ledger of advances on fixed deposit at Ex.P.70(a)., the ledger account of P.W.16. No credit for Rs 350/- has been given to P.W.16 previous to this debit. In Ex.P.66(a) it is noted that this debit was made as a cheque for Rs 350/- drawn by P.W.16 was returned uncashed, by making corresponding entries in the cash book, as Ex.P.68 (b) and Ex.P.67(a), the accused drew Rs 350/- from the Apex Bank and misappropriated ~~Rs 350/-~~ the same P.W.16 has denied the entire transaction.

18. Thus by these false debits by about 1-7-1932, A.1 and A.2 had misappropriated Rs 11,450/- and they could not approach the parties to adjust these debits. And they were sure that these debits could not be continued indefinitely. Their only hope lay in debitting the same amount to some other person and making necessary adjustments. P.W.21 ~~Mrs.~~Puttamma who has been examined on commission at Bombay and whose deposition has been ordered to be read as evidence in this case under Section 507(1) of the Cr.P.C, had deposited Rs 15,000/- as fixed deposit in Apex Bank. On 2/8/1932 the fixed deposit receipt Ex.P.72 was issued to P.W.21. P.W.21 was very well known to A.1. In order to cover the past debits the accused ~~continued to debit~~ conspired to debit to her account the sum of Rs 11,000/- and t

and to close the other debits. For this purpose they ma(use of certain documents. One of forged documents is Ex.P.73 which purports to be a loan application of P.W.21 It is signed in Kanada. But P.W.21 signs in English always. In Ex.P.73, the Apex Bank paper has been used and it pirports to have been sent from Bombay on 28/8/1932. There is nothing to show that it was sent from Bombay or presnted to Apex Bank ~~muddam.~~ personally or through a messenger A.1 has sanctioned this ~~an~~ advance of Rs 11,000/- on the security of the Fixed Deposit held by P.W.21. Except the signature all the rest are type written. Ex.P.74 which is another forged document made use of by the accused, purports to be a promote executed by P.W.21 at Bombay for the sum of Rs 11,000/- advanced and in this also except the signature the rest is typewritten. Ex.P.74 bears the Mysore Stamp. The amount was actually drawn by P.W.3 cashier, from the Bank of Mysore as per Pass Book Ex.P.81 on 31/8/32 for this payment and paid to A.1 by P.W.3 as per his evidence. Ex.P.75 is the voucher in support of the payment. Ex.P.75 is dated 28/8/32 and is signed in Kannada as " ಲಕ್ಷ್ಮಿ " and endorsed for payment to one K.Rama Rao. P.W.3 states that he does not know who K.Rama Rao is. He has not satisfied himself about the identity of the payee. Ex.P.75 was found pasted to another voucher Ex.P.75(a) written by P.W.3. It relates to the payment of Rs 11,000/- and has been written by P.W.3. For some reason not explained, P.W.3 has cancelled this voucher. P.W.21 and P.W.22 Rao Bahadur Mr.K.Ramaswamy have ~~not~~ repudiated the entire transaction relating to the advance of Rs 11,000/- on 31-8-32, A.2 in Ex.P.70 (c) advance on fixed deposit ledger shown Rs 11,000/- as an ~~xxxxx~~ advance granted to P.W.21.

19. From 1-9-32 , A.1 went on leave and A.2 was acting as the Assistant Secretary of the Apex Bank. Thesum of Rs 11,000/- drawn by A.1 with the connivance of A.2 was

drawn by A.1 with the connivence of A.2 was utilised to settle the old debits as follows:-

1) On 5-9-32 as per Challan Ex.P.84, Rs 5,500/- was credited to the account of P.W.16 ~~with~~ to wipe out the previous false debits. Necessary entries were made in Ex.P.70 at Ex.P.70 (d) & (E) and in the cash book Ex.P.8(a) and in the adjustment slip Ex.P.87(a). Ex.P.84 is written by A.2 who has signed as on behalf of P.W.16. No interest has been recovered

2) On 8-9-1932, a sum of Rs 3,000/- has been credited to the advance on F.D.account of P.W.23 as per challan Ex.P.89 which is written by P.W.3 and the word "self" has been entered by A.2. The debit of Rs 3,000/- has been closed in Ex.P.70 at Ex.P.70(f) and no interest has been recovered. The cash book Ex.P.80 at Ex.P.80(b) shows this credit.

3) On 9-9-32, the debit i.e., overdrawl in the accounts of P.W.4 has been closed finally by crediting Rs 2,738-5-8 as per challan Ex.P.90. A.2 has written thechallan and P.W.3 has entered the word "self" in it and in this case an interest of Rs 238-5-8 is shown as having been received. In Ex.P.70 the debit has been closed at Ex.P.70(g).

P.W.16, P.W.4 and P.W.23 state that they never paid the moneys as mentioned in the challans.

20. Twenty four witnesses have been examined in support of the prosecution case. P.W.21 Mrs.Puttamma and P.W.2 Rao-Bahadur Mr.Ramaswamy have been examined on Commission and their depositions under Section 507 (1) of the Cr.P.C are read as evidence in this case. Their evidence shows that A.2 in the year 25-26, 1936-27, committed Criminal Breach of Turst ~~x~~ in respect of Rs 9,000/- belonging to the Apex Bank and that the to conceal the embezzlement, the accounts were falsified. ~~First~~ In 1925-26. The amounts under Advances on Fixed Deposit and interest paid were inflated to 7,000/- being the amount embezzled during that year. Next year Rs 1,000/- was adjusted

adjusted by the false adjustment slip Ex.P. which recites that there was an error in calculation the previous year. Rs 2,000/- embezzled during 1926-27 was wiped out by not ehtering in the cash book Ex.P.25 and ledger Ex.P.8. Rs 2,000/- credited th the cash credit account of Apex Bank in the Bank of Mysore as noted in Ex.P.20 on 30/6/27. The balance of Rs Rs 6,000/- inflated was carried over to 1927-28 and adjusted by debiting Rs 3,000/- as respectively advance on F.D. to the accounts of P.W.4 and P.W.23. A.1 complicated matters by embezzling Rs 5,450/- in the years 1929-30 and 1931-32. These amounts were debitted to the Advance Fixed Deposit account of P.W.16. As the parties could not be approached to wipe out the debit, A.1 and A.2 in collusion made use of the forged documentss Ex.P.73 to 75 and drew Rs 11,000/- from the Apex Bank on 31/8/32 by falsely debitting the sum to the advance on F.D.account of P.W.21. A.2 on 5/9/32, 8/9/32 and 9/9/32 respectively wipes out the false debits in the Advance on F.D.Accounts of P.W.16, P.W.23 and P.W.4 respectively.

21. P.W.1 Mr.Suryanarayana Rao, the present Assistant Secretary has deposed to the facts of the prosecution story. P.W.2 Shama Rao, P.W.3 Cashier Srinivasa Murthi, and P.W.18-Rangaswamy are employees of the Apex Bank examined to prove the hand writing of the accused, and proceedube in the Apex Bank and other documents filed as prosecution exhibits. P.W.4 and P.W.21, P.W.23 and P.W.16 speak to the fact that they have not been parties to the false debits. P.W.20, has deposed that the cheques Ex.P. 19,121 signed by him and drawn by him in favour of A.2 were not grants made outright to A.2 and that A.2 had to bring the moneys from the Mysore Bank and credit them to coffers of the Apex Bank for purposes of current transactions. P.W.7 Mr.Venkatkrishniah, President of the Apex Bank and P.W.8 Mr-Gopalswamy Iyengar, Honorary Secretary, have identified the accused's hand writing, described their duties, and spoken abov the proceedure in the Bank. P.W.9 Mr.Ramaswamy Iyengar, P.W

P.W.17-Mr.Mandre, P.W.19 Mr.Chaluviah and P.W.14 Mr.SrinivasaRaghava Char who audited the accounts of the Apex Bank since 1925 on various occasions have identified the accused's hand writing, their duties in the bank and the method of audit and the state of accounts of the Bank when they audited. P.W.5 Mr.Venkataramiah, Chief Cashier, Mysore Bank P.W.10 Arasappa, Shroff Mysore Bank, P.W.11 N.Arasappa Shroffof Mysore Bank, P.W.12 Venkatappa and P.W-13 Narayana Rao, Shroff of the Bank of Mysore have spoken about the cashing of the cheques of Mysore Bank drawn by P.W.20 and P.W.7. , in favour of A.2 and others. P.W.15 Mr.M.Narayana Rao, Manager of the office of the Registrar of Co-Operative Societies has produced the printed report of the working of the Apex Bank for 1925-26 sent to the Registrar of Co-Operative Societies (Ex.P.17(a) and spoken about the conduct of A.1 when he was under suspicion in connection with this case and the nature of his appointment in the Apex Bank. P.W.6 Mr.Jhanak has produced the accounts of Devanga Bank Ex.P to show that the 2 cheques for Rs 5,100/- drawnby A.1 were dishonoured and returned to Mysore Bank.

22. Both the accused have not chosen to make a defence statement before me. Charges under Sections 471, 477 (A) and 408 and in the alternative 408 and 109 I.P.C have been framed against the 1st accused and charges under Section 471, 467 and 109, 477(A) , 408 and in the alternative under Section 408 I.P.C and two more charges under Section 477 I.P.C have been framed against the 2nd accused. The accused have not furnished the list of defence witnesses and it is not expedient to examine them now.

23. The evidence discloses that both the accused have in collusion systematically defrauded the bank and embezzled the funds of the Apex Bank. A prima facie case in respect of the offences with which they are charged

charged has been made out as already summarised in para 20 of this order. A.2 perhaps will have to be tried separately from A.1 in respect of 3 charges fr under Section 477(A) I.P.C as A.1 was on leave when the falsification of account took place.

24. Hence under Section 213 of the Cr.P.C, I commit both the accused for trial by the Court of Session, Bangalore Division in respect of the charges against them. A.1 will bn in custody in Central Jail till he is required by the Court of Sessions. A.2 has furnished today an additional surety in the sum of Rs 2,000/- for his appearance before the court of Sessions when required. Thus he has furnishea in all 4 sureties for his appearance before thecourt of Sessions and deposited Rs 1,000/- also towards the bonds executed by his sureties. Hence he will remain on the bail, he has furnished now.

In open court.

Sd/ G.N.Nagaraja Rao,
City Magistrate,
Bangalore City.
28/8/36.

'COPY'

City Magistrate,
Bangalore.

Appendix contd on next page.

Appendix in C.C.No.528/35-36.

The following witnesses were examined for prosecution:

P.W.1. Mr.Suryanarayana Rao.

2. A.Shama Rao.

3. K.R.Srinivasa Murthy

4. Mrs.Saraswathi Bayi

5. Mr.C.R.Venkataramaiyya

6. Mr.M.K.Jhabak.

7. Mr.S.Venkatkrishniah

8. Mr.Gopalaswamy Iyengar

9. Mr.A.Ramaswamy Iyengar

10. K.Arsappa

11. N.Arsappa

12. R.Venkatappa

13. Mr.B.N.Narayana Rao.

14. Mr.Srinivasaghava Char

15. M.Narayana Rao.

16. B.Subramanya

17. Mr.Sandra

18. P.V.Rangaswamy

19. Mr.A.N.Cheluviah

20. Rao Bahadur K.Shama Rao.

21. Srimathi Purramma | These 2 witnesses were examined on Commission at Bombay.

22. Rao Bahadur Mr-K.Ramaswamy. |

23. Mrs.Subbamma Ramaiyya

24. Mr.K.S.Krishna Murthi.

The following exhibits were marked for prosecution:-

Ex.P.1. Certificate of incorporation.

2. Bye-Laws of Apex Bank

3. Subsidiary Rules.

3(a) Rules of Business

4. Counterfoil of the cheque book of Mysore Bank in favour of Apex Bank.

No. A. 666972

Ex.P.4(a) Counterfoil of the cheque ~~book of Mysore Bank in favour of Apex Bank.~~

5. Original ~~of~~ Cheque corresponding to P.4(a)

6. Pass Book of Mysore Bank.

7. Cash Book.

8. Ledger.

8(a) Page.285.

8(b) Entry in page 286 in P.8.

8(c) ,, 288 in P.8.

9. Receipt No.96 in the Receipt book.

10. Cash abstract of Receipts.

10(a) Page No.9 in P.10.

10(b) ,, 13 in P.10.

10(c) ,, 19 in P.10.

11. Cheque for Rs 1,000/- in favour of A.2 dated 11-9-

12. Cheque in favour of A.2 dated 15-12-25 for Rs 2,00

13. Receipt No.933 in the Receipt book.

14. Cheque drawn by President in favour of A. on 1-3-26 for Rs 2,000/-.

~~15~~
15. Pass book of Mysore Bank.

16. Abstract of payment.

17. Printed copy of the balance - sheet.

17(a) ,, ,, for 1926.

~~List of copy of the balance-sheet~~ produced from t Registrar of Co-Operative Societies office on 23-3-26.

17(b) Letter enclosed with P.17(a) to late Mr. K. H. Ramaiya from P.W.20 dated 14/9/26.

18. List of Advances on fixed deposits made during the year 1925-26.

19. Cheque in favour of A.2 drawn by the President an cashed on 28-1-27 for Rs 1,000/-.

20. Pass book of Mysore Bank.

21. Cheque drawn by the President on 27-1-27 in favou of A.2 for Rs 1,000/-.

22. Printed copy of the balance sheet for the year 19-26-27.

23. Adjustment slip No.71 dated 30-6-27.

24. Receipt and expenditure statement for the year 1 27.

Ex.P.25. Cash book from 29-6-27.

26. Fixed deposit ledger

26(a) Page 101 in P.26.

27. P.O.Receipt No.1343 dated 3-11-26.

28. 13 papers relating to the F.Deposit of Mrs.Venkobarao

29. Advance on fixed deposit.

30. -do- vide P.34 in O.C.260/35-36.

31. Voucher No.1394 dated 27-10-27.

32. Receipt No.1401 ,,

33. Adjustment slip No.134 dated 30-6-31.

34. P.Ledger.

34(a) Account relating to Mrs.Subbamma Ramaiyya.

35. Fixed deposit ledger.

35(a) Account relating to Subbamma Ramaiyya in P.35.

35(b) ,, to Mrs.Ramaswamy P.140 in 35.

36. Advance on fixed deposit.

37. Adjustment slip book.

38. -do-

39. Printed copy of the balance sheet for the year 27-28

40. Counter foil of the cheque dated 1-3-26 No.A.669207.

41. Voucher No.3970 dated 21-6-28.

42. Receipt No.4270 dated 14-6-28.

43. Journal book for 31-6-28.

44. Statement of account from the ledger book of Mrs.Saraswathi w/o Venkoba Rao (4 sheets)

45. Statement of account of the ledger book of Mrs. Ramaiyya.

46. Schedule of ledger balances for 25-26.

47. ,, for 26-27.

48. Trial balance for 28-29.

49. Cash book.

49(a) Page 65 in ex.P.49.

49(b) Page.201 in ex.P.49.

50. Voucher book.

50(a) Voucher No 1474

Ex.P.60(b) Series 9 counter foils of the challans.

61. General ledger.

61(a) Entry on page 125. on page 136

52. (b) Pass Book on Mysore Bank from 14-8-29.

53. Voucher book.

53(a) Voucher No.4443 dated 22-3-30

53(b)1,2,3. Three challans attached to 53(a).

54. Pass Book of Mysore Bank from 9-12-29.

55. Pass Book of Mysore Bank from 26-3-30.

56. Abstract of payments and receipts.

57. Adjustment slip book

57(a) Slip No.49 in Ex.P.57.

58. Journal book.

59. Abstract of payments of receipts.

60. Advance on fixed deposit ledger.

60(a) Entry marked on page 90 in Ex.P.60.

61. Printed copy of the balance sheet for 28-29.

62. ,, ,, for 29-30.

63. ,, ,, for 30-31.

64. ,, ,, for 31-32.

65. ,, ,, for 32-33.

66. Adjustment slip book.

66(a) Slip No.266 in P.66.

67. Cash book.

67(a) Page 98 in P.67.

68. Receipt book.

68(a) Page 93 in 68.

69 Journal Book

69(a) Entry on P.416 in 69.

70 Ledger of Mr. B.Subramannaiya

70(a) Entry on Page 174 in P.70.

70(b) " 330 "

134

Ex.P.70(c) Entry on pa[illegible] 372 in Ex.P.70.

71. Consolidated Statement Copy of the F.D.Ledger relating to Mrs.Ram[illegible] w[illegible].

72. F.D.receipts of Mrs.Ramaswamy for Rs 15,000/-.

73. Loan application of Puttamma dated 28-8-32.

74. On demand pronote executed by Puttamma/[illegible] dated 28-8-32.

75. Voucher slip by Puttamma dated on 28-8-32.

75(a) Another voucher attached to Ex.P.75 No.1880.

76. Telegram received from Puttamma. Ramaswamy

76(a) ,, ,, from Mr Ramaswamy

77. Copy of letter written to Mrs.Ramaswamy dated 17-9-35.

78. Letter written by Mrs.Puttamma dated 17-9-35.

79. Cash book of pay[illegible]ents.

79(a) Page 51 in Ex.P.79.

79(b) Page 57 in Ex.P.79.

80. Cash book receipt for 1932.

80(a) Entry on page 57 in P.80.

80(b) ,, ,,

81. Pass book of Mysore Bank from 27-6-32.

82. Advance on Fixed Deposit ledger.

82(a) Page.306 in P.82.

83. Consolidated statement of advance , F.D.Ledger of Mrs.Ramaswamy.

84. Challan dated 6-9-32.

85. C.D.Long book.

85(a) Entry in 136, in Ex.P.85.

85(b) Entry in 146 in Ex.P.85.

86. Current deposit ledger.

86(a) Page 288 in Ex.P.86.

87. Adjustment slip book.

87(a) Slip No.44 in Ex.P.87.

88. Journal.

88(a) Page.93 in Ex.P.88.

70(d) Entry on page 320 in Ex.P.70.

70(e) ,, 174 ,,

70(f) ,, 293 ,,

70(g) ,, 310 ,,

Ex.P.89. Chellan for Rs 3,000/- dated 8-9-32.

90. ,, Rs 2,738-5-8 dated 9-9-32.

80(c) Entry on page 58 in P.80.

91. Ledger Balance for the year 31-32, 32-33, and 33-34 for advances on D.deposits.

91(a) Entry for Rs 2,500/- in page 2 of Ex.P.91 .

(b) ,, marked in P.2.

(c) ,, ,,

92. Counterfoil of cheque No.D.98813 dated 31-8-32.

93(a,b,c) Specimen forms typed in the Apex Bank.

94(a to g) Original balance sheet for the year 26- to 1932-33.

95. Counterfoil of a cheque for Rs 906-9-0 dated 29-12-?

96. Cash book receipts.

96(a) Entries on page 149m in Ex.P.96.

97. Cash book payments.

97(a) Entry on page 147, in Ex.P.97.

98. Cheque No.D.232389, P.P.19-3-36 on 29-12-34.

99(a) Counterfoil of chellan.

(b) -do-

(c) Consists of 10 counterfoils of chellans.

100. Cheque register book.

100(a) Entry on page 147 in Ex.P.100.

101. Cheque register from 25-3-30.

101(a) ~~Delivery book.~~ Entry on page 3 in P. 101.

102. Delivery book.

102(a) Entry on page 192 in 102.

103. Pass book of Devanga Bank relating to the accounts of 1st accused.

104. Copy of the cheque returned register of Devanga - Bank (Vide P.124 in C.C.266/35-36).

105.(a to f) Six cheques drawn on Devanga Bank (vide P.125 series in C.C.266/35-36).

106(a to g) 7 credit slips crediting A.1's money into Devanga Bank.

107. Proceedings book of Apex Bank.

Ex.P.107(a) Entry on page.248.

108. Agenda book of Apex Bank.

108(a) ~~Agenda~~ Page.54 in Ex.P.108.

109. Audit report for 1932-33.

110. ,, for 33-34 (Vide P.113 & 113(a) in C.C.No.266.

111. Reconciliation statement for 32-33.

112. Receipt book of Apex Bank P.P. from 26-8-35.

113. ,, ,, from 12-9-35.

114. F.D.Receipt No.96 dated 24-6-29.

115. Counterfoil of ~~account~~ receipt No.2950 dated 28-10-33.

116. Voucher No.106 dated 2-8-32.

117. Voucher dated 25/30-3-31.

118. Adjustment slip No.199 dated 28-10-33.

119. Suspense ledger

119(a) Page.20 in Ex.P.119.

120. F.D.Receipt ~~No.20940~~ No.940. dated 13-12-24.

121. F.D.Receipt .

122. Loan application.

123. Pronote corresponding to Ex.P.122.

124. Adjustment slip dated 30-6-24.

124(a) Sheet of calculation attached to P.124-

125. Suspense account.

126(a) Page.133.

126. Counterfoil of cheque No.A.669553 for Rs 1,000/-.

126(a) -do- No.A.669600 for Rs 2,000/-.

127. F.D.Receipt dated 18-10-33.

128. Statement of accounts dated 12-9-35.

129. Letter from Apex Bank to Mrs.Puttamma dated 2-8-32.

130. -do- -do- dated 10-10-35.

131. -do- -do- dated 23-1-36.

132. Receipt No.4966 dated 24-6-1926.

133- Counterfoil of F.D.Receipt No.96.

134. Letter from the Bank to P.W.23. No.6954 dated 30/8/33.

Ex.P.134(a) Draft of Ex.P.134.

135. Permission of City Magistrate to investigate this case.

The accused were examined and they stated that they have nothing to say here, thgy were charged as follows:.

1st accused is charged under Section 471, 467, 477A., and 408 and in the alternative under Section 408 and 109 I.P.C.

2nd accused is charged under Section 471, 467, and 10 477A, 408 and in the alternative under Section 408 and two more charges under Section 477 I.P.C.

Both the accused are committed to Sessions, Bangalore Division, Bangalore to take their trial.

C.C.No.528/35-36.

Charge
Sections 221, 224, C. P. Code.

Form No..28 Criminal

IN THE COURT OF City Magistrate, Bangalore.

Government — *Complainant* — *Versus* — 1. S.Venkatsubbiah 2. S.Raja Iyengar. — *Accused.*

I, G.N.Nagaraja Rao., - City - Magistrate of Bangalore City hereby charge you 1. S.Venkatasubbiah, former Assistant Secretary of the Mysore - Provincial Co-Operative Apex Bank Ltd., Bangalore as follows:—

1. That you, on or about the 31st day of August 1932 at Bangalore City, in your capacity as the Assistant Secretary, of the Mysore Provincial Co-Operative Apex Bank Ltd., Bangalore City dishonestly used as genuine certain documents to wit, Ex.P.73 a document purporting to be an application by P.W.21 Puttamma, for an advance of Rs 11,000/- on the security of the amount held in Fixed Deposit in the above Bank, Ex.P.74 an On Demand promissory note for Rs 11,000/- purporting to have been executed by P.W.1 Puttamma, Ex.P.75 a receipt for Rs 11,000/- purporting to have been executed by P.W.21 Puttamma, which you then knew or had reason to believe to be forged documents,

and thereby committed an offence punishable under Sections 467 & 471 of the Indian Penal Code and within the cognizance., of the Court of Sessions, Bangalore Division.

2. That you on or about the 31st day of August 1932 at Bangalore City, being the Assistant Secretary of the Mysore Provincial Co-Operative Apex Bank Ltd., Bangalore, wilfully and with intent to defraud, abetted the making of the false entries Ex.P.79(a) and Ex.P.70(c) in Ex.P.79 Cash Book of Payments and Ex.P.70 advance on Fixed Deposit Ledger respectively, which belonged to your employer Viz., The Mysore Provincial Co-Operative Apex Bank, Ltd., Bangalore City

and thereby committed an offence punishable under Section 477 (A) of the Indian Penal Code, and within the cognizance. of the Court of Sessions, Bangalore Division.

3. That you, on or about the day of 192 , at

charge continued on next page.

P.T.O

and thereby committed an offence punishable under Section of the Indian Penal Code and within cognizance.

And I hereby direct that you be tried on the said charges

Dated the day of 192

Magistrate.

WD 05—GPB—17,500—19-7-28

Charge
Sections 221, 224, C. P. Code.

Form No. 28 Criminal

IN THE COURT OF

Complainant *Versus* *Accused.*

I Magistrate of

you **Charge continued:-** hereby charge

as follows:—

1. That you, on or about the **31st** day of **August 1932**

~~192~~ , at **Bangalore City being entrusted with Rs 11,000/- or with dominion over Rs 11,000/- in your capacity as the Assistant Secretary of the Mysore Provincial Co-Operative Apex Bank Ltd., Bangalore City, committed criminal breach of trust in respect of that property viz., Rs 11,000/- by dishonestly disposing of that property in violation of the implied legal contract which you had made touching the discharge of such trust**

and thereby committed an offence punishable under Section **408** of the Indian Penal Code and within **the** cognizance. **of the Court of Sessions, Bangalore Division.**

2. That you on or about the **31st** day of **August 1932,**

~~192~~ , at **Bangalore City being entrusted with dominion over Rs 11,000/- in your capacity as the Assistant Secretary of the Mysore Provincial Co-Operative Apex Bank Ltd., Bangalore City, abetted the commission of the Criminal Breach of trust by A.2 Rajaiengar the then Senior-Accountant of the said Bank, in respect of that property, which offence was committed in consequence of your abetment**

and thereby committed an offence punishable under Section **408 & 109** of the Indian Penal Code, and within **the** cognizance. **of the Court of Sessions, Bangalore Division**

3. That you, on or about the day of

192 , at

and thereby committed an offence punishable under Section of the Indian Penal Code and within cognizance.

And I hereby direct that you be tried **by the Court of Sessions, Bangalore Division** - on the said charges

Dated the **24th** day of **August** 1936.

Sd/ G.N.Nagaraja Rao,
City *Magistrate.*
Bangalore.

'COPY'

WD 05—GPB—17,500—19-7-28

City Magistrate
Bangalore.

Charge
Sections 221, 224, C. P. Code

Form No. 28, Criminal.

IN THE COURT OF City Magistrate, Bangalore.

Government — *Complainant*

Versus

1. S.Venkatsubbiah
2. S.Rajaiengar — *Accused.*

I, G.N.Nagaraja Rao., -- City Magistrate of Bangalore City hereby charge you S.Rajaiengar, Senior Accountant of the Mysore Provincial Co-Operative Apex Bank Ltd., Bangalore (now under suspension). as follows:—

1. That you, on or about the 31st day of August 193 2, at Bangalore City, in your capacity as the Senior Accountant of the the Mysore Provincial Co Operative Apex Bank Ltd., Bangalore City, abetted the commission of offence of dishonestly using as genuine false documents Ex.P.73 , P.74 and Ex.P.75 by the 1st accused S.Venkasubbiah which offence is punishable under Section 467 and 471 of the Indian-Penal Code and which was committed in consequence of your abetment

and thereby committed an offence punishable under Sections 109 & 467 & 471 of the Indian Penal Code, and within the cognizance. of the Court of Sessions, Bangalore Division.

2. That you, on or about the 31st day of August 1932, at Bangalore City, being the Senior Accountant of the Mysore Provincial Co Operative Apex Bank Ltd., Bangalore City, wilfully and with intent to defraud, made false entry to wit.Ex.P.70(c) in Ex.P.70 advance on Fixed Deposit Ledger which belonged to your employer viz., the aforesaid Bank

and thereby committed an offence punishable under Section 477 A., of the Indian Penal Code, and within the cognizance. of the Court of Sessions, Bangalore Division.

3. That you, on or about the 31st day of August 1932 , at Bangalore City, abetted the commission of Criminal Breach of trust by the 1st accused Venkasubbiah , which offence is punishable under Section 408 of the Indian Penal Code and which was committed in consequence of your abetment

and thereby committed an offence punishable under Section 408 & 109 of the Indian Penal Code, and within the cognizance. of the Court of Sessions, Bangalore Division.

And I hereby direct that you be tried on the said charges

Contd. on next page.

Dated the day of 193

Magistrate.

WD 02793—GPB—7,353—13-5-35

Charge
Sections 221, 224, C. P. Code

Form No. 28, Criminal.

IN THE COURT OF

Complainant *Versus* *Accused.*

Magistrate of

charge - continued:-

hereby charge

you

as follows:—

or in the alternative

1. That you, on or about the 31st day of August

193 2 at Bangalore City, being entrusted with dominion over Rs 11,000/- in your capacity as the Senior Accountant of the Mysore Provincial - Co Operative Apex Bank Ltd., Bangalore City, committed Criminal Breach of Trust in respect of that property by dishonestly disposing of that property, in violation of the implied legal contract which you had made touching the discharge of such trust

and thereby committed an offence punishable under Section 408 of the

Indian Penal Code, and within my ~~the~~ cognizance.

2. That you, on or about the 5th day of September

1932, at Bangalore City being the Senior Accountant and the Acting - Assistant Secretary of the Mysore Provincial Co Operative Apex Bank Ltd Bangalore City, wilfully and with intent to defraud, falsified account Books and papers to wit Ex.P.84 challan, Ex.P.87(a) adjustment slip and Ex.P.70 (d) and (E) entries in the Advance on Fixed Deposit Ledger and Ex.P.80 page 54 under the date 5/9/1932, which belonged to your employer ie., the aforesaid Bank

and thereby committed an offence punishable under Section 477.A., of the

Indian Penal Code, and within the cognizance of the court of Sessions, Bangalore Division.

3. That you, on or about the day of

193 , at

and thereby committed an offence punishable under Section of the

Indian Penal Code, and within cognizance.

And I hereby direct that you be tried by the Court of Sessions, Bangalore Division on the said charges

Dated the 24th day of August 193 6

Sd/ G.N.Nagaraja Rao,
City *Magistrate.*
Bangalore.

'COPY'

City Magistrate.

WD 02793—GPB—7,353—13-5-35

Charge
Sections 221, 224, C. P. Code

Form No. 28, Criminal.

C.C.No.528/35-36

IN THE COURT OF the City Magistrate, Bangalore

Government

Complainant *Versus* S.Rajaiengar *Accused.*

I, G.N.Nagaraja Rao., City - Magistrate of Bangalore hereby charge you S.Rajiengar, Senior Accountant of the Mysore Provincial Co-Operative Bank Ltd., Bangalore City (now under suspension) as follows:—

1. That you, on or about the 9th day of September 1932, at Bangalore City, being the Senior Accountant and the acting Assistant Secretary of the Mysore Provincial Co Operative Apex Bank Ltd., Bangalore City, wilfully and with intent to defraud, made false entries to wit.Ex.P.90 and Ex.P.70(g), in Ex.P.90 challan and Ex.P.70 "Advance on Fixed Deposit ledger, which are respectively paper and Account book belonging to your enployer ie., the aforesaid Bank and thereby committed an offence punishable under Section 477.A., of the Indian Penal Code, and within the cognizance of the Court of Sessions, Bangalore Division.

2. That you, on or about the day of 193 , at

and thereby committed an offence punishable under Section of the Indian Penal Code, and within cognizance.

3. That you, on or about the day of 193 , at

and thereby committed an offence punishable under Section of the Indian Penal Code, and within cognizance.

And I hereby direct that you be tried by the Court of Sessions, Bangalore-Division on the said charges

Dated the 24th day of August 1936

Sd/G.N.Nagaraja Rao,
City *Magistrate.*
Bangalore.

'COPY'

City Magistrate,

WD 02793—GPB—7,353—13-5-35

C.C.No.528/35-36

Charge
Sections 221, 224, C. P. Code

Form No. 28, Criminal.

IN THE COURT OF City Magistrate, Bangalore.

Government ~~1. S.Venkatsubbiah~~ 2. S.Rajiengar

Complainant *Versus* *Accused.*

I, G.N.Nagaraja Rao., City - Magistrate of Bangalore City hereby charge you S.Rajiengar, Senior Accountant of the Mysore Provincial Co-Operative Apex Bank Ltd., Bangalore City (now under suspension) as follows:—

1. That you, on or about the 8th day of September 193 2, at Bangalore City, being the Senior Accountant and the Acting - Assistant Secretary of the Mysore Privincial Co Operative Apex Bank Lt Bangalore City wilfully and with intent to defraud, made false entries to wit.Ex.P.89 challan and Ex.P.70(f) in the challan Ex.P.89 and P.70 advance on Fixed Deposit Ledger which are papers and accounts books respectively belonging to your employer the aforesaid Bank and thereby committed an offence punishable under Section 477.A., of the Indian Penal Code, and within the cognizance. of the Court of Sessions, Bangalore Division.

2. That you, on or about the day of 193 , at

and thereby committed an offence punishable under Section of the Indian Penal Code, and within cognizance.

3. That you, on or about the day of 193 , at

and thereby committed an offence punishable under Section of the Indian Penal Code, and within cognizance.

And I hereby direct that you be tried by the Court of Sessions, Bangalore Division on the said charges

Dated the 24th day of August 193 6

Sd/ G.N.Nagaraja Rao,
City *Magistrate.*
Bangalore

'COPY'

City Magistrate.

WD 02793—GPB—7,353—13-5-35

P&G 3511/836

No. 405 of 36-37

Enc. .....

OFFICE OF THE PUBLIC PROSECUTOR,
BANGALORE DIVISION,
DISTRICT OFFICE BUILDINGS,

Bangalore, 1st December 193 6

Law 56-35-16

FROM G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor,
Bangalore Division, Bangalore.

GENERAL SECRETARY 2-DEC. 1936

To The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.

SIR,

Re: Bangalore Sessions case No.5/36-37.
Amex Bank fraud case.

I have the honour to state that arguments were heard and concluded in the above case and the assessors were of opinion that both the accused persons are guilty. The case is reserved for orders.

GENERAL SECRETARIAT 3-DEC. 1936

Subd for perusal.
Gen Secy) BKR 4/12 3/12

I have the honour to be,
Sir,
Your most obedient servant,
Doraswamy Iyer
Public Prosecutor.

KHH.

Sub A 1-12-36

BKR 4.12

3619/36

No. 125-3/36-37. (1 order copy)

Office of the Public Prosecutor,
Bangalore Division,
Dated, Bangalore 18th December 1936.

DEWAN'S OFFICE
23 DEC. 1936
No. 2135

OFFICE OF THE SECOND MEMBER OF COUNCIL
21 DEC. 1936
NO 4409

GENERAL SECRETARY.
21 DEC. 1936

From

G.S. Doraswamy Iyer, Esq., B.A., B.L.,
Public Prosecutor, Bangalore.

To

The General Secretary to the Government of H.H. the Maharaja of Mysore, Bangalore.

Sir,

RE: Bangalore Sessions case.No.5/36-37.
Apex Bank case.

I have the honour to send herewith a copy of the operative portion of the judgment in the above case for information of Government.

I have the honour to be,

Sir,

Your most obedient servant,

Public Prosecutor.

Submitted for perusal
Mr
21/12

BNR
21.12

(Second member)
(First member)

The Regr is requested to write to Mr. S. Venkatasubbayya to resign (as he had agreed to do) and make room for Mr Kuppuswami Iyengar

Dewan

NLR
22/12/36

Mr
23-12-36

Mr
24/12

BNR
2-1-37

3619
P

This memo, if approved, be sent to ~~Treasury with compliments~~ the Deputy Minister for note and return

4/1 Dept Min

BMR 7.1.37

3836

REC'D 7 JAN. 1937

DEVELOPMENT BRANCH

Extract of Note I have been taken separately on the memo of this Branch and the Labour Separately for ease. This may be returned to the Prairie Farm Rehabilitation Branch Labour

9/1/37 To Mr. Brown, WC

Sec C
9-1-37

Bangalore Sessions Case.No.5/36-37

Government of Mysore. Prosecutor.

-VS-

1. Venkatasubbiah.
2. Rajaiengar. Accused.

X X X.

Agreeing with the unanimous opinon of the assessors I find Accused I guilty of the offence under Sections 467 and 471 Indian Penal Code (2nd head or charge in the asmended charges) and convict him of that offence. Agreeing with the assessors Messrs: N.P. Lakshmiah and Mahabaliah I find accused I guilty of the offence under section 47. A Indian Penal Code (4th head of charge in the amended charges) and convict him of that offence.

After the opinions of the assessors were recorded and they were discharged the public Prosecutor brought to my notice that Accused I is already undergoing sentence in C.C.No.266 of 35-36 on the file of the City Magistrate, Bangalore. In view of that fact as also of the fact that Accused I has lost his appointment, status and pension and ruined himself I do not wish to be unduly severe on him though cases of this kind call for deterrent punishment. I therefore sentence him to undergo rigorous imprisonment for two years for the offence under Section 477A of the Indian Penal Code, this

Indian Penal Code. that sentence running concurrently with the sentence for the offence under Sections 467 and 471 of the Indian Penal Code. Under Section 397 of the Code of Criminal Procedure I further direct that the sentence passed on Accused I in this case shall run concurrently with the sentence he is already undergoing in C.C.No.266/35-36 on the file of the City Magistrate, Bangalore.

Agreeing with the unanimous opinon of all the assessors I find Accused 2 guilty of the offence under Sections 467 and 471 of the Indian Penal Code (2nd head of charge in the amended charges) as well as of the offence under Section 477A of the Indian Penal Code (4th head of charge in the amended charges) and convict him of those offences. As regards punishment I am of opinion that he deserves to be more severely punished than Accused I as he appears to have taken more active part than Accused I in manipulating the accounts and committing the several acts of fraud referred to in the judgment. I therefore sentence him for the offence under Section 477A Indian Penal Code to three years rigorous imprisonment and to pay a fine of two thousand rupees or in default to undergo rigorous imprisonment for a further period of one year. For the offence under Sections 467 and 471 Indian Penal Code I sentence him to three years rigorous imprsonment, that sentence running concurrently with the sentence passed on him for the offence under Section 477A of the Indian Prnal Code.

Before concluding this judgment I wish to make

make an observation regarding the unsatisfactory way in which such a premier institution as the Apex Bank has been managed by the persons responsible for its good management. According to the Bye-Laws of the Institution its good management vested in the Board of Directors. The sorry state of affairs disclsed by the evidence that has been adduced in this case shows that Accused I who was the Assistant Secretary and Accused 2 who was the Cashier and later on, the Senior Accountant of the Bank were allowed much latitude without proper check or control with the result that acts of fraud, embezzlement and manipulation of accounts committed by them from the year 1925 were undetected till now in spite of the so called annual audits by certified Auditors. P.W.I who was the Honorary President has stated that he was not trying to find out whether the cheques signed by him were cahsed and what happended to those moneys. He has also added that the Controllers elected to look into the accounts were only nominal and that he does not remember if at any time they submitted any report to the Board of Directors. The evidence of the auditors discloses that their audits were not thorough. It is stated on page I of Exhibit 3 that the President is responsible for the general administation of the Bank and of its affairs. It is not known if besides shaping the policy of the Bank in consultation with the Board of Directors and drawing cheques whenever money was required for the use of the Bank, the Honorary Presidents from 1925-26

exercised any control or check over the work of the Assistant Secretary and the staff of the Bank. Although the printed forms of adjustment slips that are in use in the Apex Bank contain a column for the signature of the Secretary, Mr. M.A. Gopalaswami Iyengar (P.W.13) has deposed that he has not signed any adjustment slips, and has added that it was not his duty to sign them. It is hoped that the persons who are responsible for the good management of the Institution will in future at least take proper measures to prevent frauds of the kind being committed by the Assistant Secretary or other officials of the Bank.

I wish to record my appreciation of the services of P.W.3 Mr. Suryanarayana Rao, the present Assistant Secretary of the Bank and of the Investigating Officer P.W.22 Mr. K.S. Krishna Murthy who seem to have taken a lot of trouble in examining the accounts of the Bank and collecting materials necessary for the purpose of this case. I also wish to express my appreciation of the untiring work done by the learned Public Prosecutor in this case.

SD/- S. Venkata Ranga Iyengar,
Sessions Judge.
5-12-1936.

4524/P6365

No. 1576/36-7

Enc. One

OFFICE OF THE PUBLIC PROSECUTOR
BANGALORE DIVISION,
DISTRICT OFFICE BUILDINGS,

Bangalore, 5. 2. 1937.

Law 56-35-18

FROM

The Public Prosecutor,
Bangalore Division, Bangalore.

To (Rec'd 5.2.37)
The General Secretary to
the Government of His Highness
the Maharajah of Mysore,
Bangalore

SIR,

With reference to your letter
No. P.4743 of 30-1-1937, I have the
honour to forward herewith a copy
of the Judgment in B.S.C.S. of 36-37
for favour of perusal and return

I have the honour to be
Sir
Your most obedient
Servant

S. Ramaswamy Iyer

Appendix F. G.–1]

SUBJECT.....

.....

.....

Section. Law

File No.

Serial No.

No. P 5384/Genl.

To

The P. Pr., B'lore

Apex Bank Case
(B.S.C. 57/36-37)

Sir,

I am directed to return herewith the copy of judgment passed in above case sent with your letter No 1576/36-37, dt 4-2-37 I have etc.,

BKR

for Genl. Secy

Diary No. of letter replied to.....

General and Revenue Secretariat.

( )

the 193

Date of issue 9.3.37

Signed by Dvr. BKR.

List of enclosures.....

Copied by.....

Examined by.....

xx xx xx

25. The following is the statement made by the Accused 2 before this Court:-

"I have not committed any of the offences for which I am charged. I have not misappropriated any money of the Bank. I have not falsified any entries, account books or documents of the Bank. I have not used any documents of the Bank. I have not used any documents which were not genuine to my knowledge. All the entries in books of account or other documents in the Bank have been made in perfect good faith and on the basis of the information at the Bank in the usual course. Usually the person doing duty as the Cashier for the day was writing the Cash book. Mr.P.V.Rangaswami has worked as Cashier on several days. In the usual course of business all the officials of the Bank were doing the normal work of other officials as occasions arose. I have carried moneys on behalf of Accused 1 some times at his request and paid them over in accordance with his instructions but I have never utilised or appropriated any of his moneys. Personally I know nothing of the loan of Rs. 11,000/- granted to Srimathi Puttamma or any of the transactions connected with it. In the usual course I post my ledger from the Cash Book fully believing that the entries were genuine The evidence of Mr.K.R.Srinivasamurthy regarding the instructions alleged to have been given by me for the preparation of the challans in question is false. I must have deposited Rs. 5,500/- in the Bank of Mysore in normal course of business and A.Shama Rao are not speaking the truth. Mr.B.Subramaniah is not speaking correctly. The transactions relating to him must have been done in accordance with the instructions received at the Bank either from him personally or through his representatives. The entries in the books relating to loans of Mrs.Saraswati Bai Venkoba Rao and Mrs.Subbamma Ramiah must be genuine and they must have been made in usual course of business on the basis of information available at the Bank. These ladies are evidently making mistakes in their statements The entries relating to the constituents have always been made in accordance with instructions received from them in the usual course. If all the account books of the Bankers examined in detail from 1925 to date all the amounts belonging to the Bank can be accounted for in a proper and legitamate manner. At this distance of time I am unable to give any further particulars of the transactions in issue or of the entries or documents connected with the case. Errors in the books of the Bank are the result of bonafide mistakes. The staff was all along inadequate and I was invariably over-worked. It is in this way that such errors have crept in. I have not committed any offence whatever either by commission or omission. I am innocent."

26. This story narrated by Accused 2 in this Court appears to me to be after-thought as is clear from the fact that at the earliest opportunity at which he could have come forward with that story, namely in the Committing Magistrate's Court, he did not do so. I am not inclined to believe this story of

of Accused 2. His statement that he has not misappropriated any money of the Bank is not at all worthy of belief in view of the fact that the moneys of the cheques Exhibits P5.P.11, P12. and P14 were not at all credited by him into the cash book of the Apex Bank. In this statement Accused 2 has tried to explain it away by saying that it was the person doing duty as Cashier for the day that was writing the Cash book and that Mr.P.V.Rangaswami has worked as Cashier on several days. Thereby his implication seems to be that it is not be but Mr.P.V. Rangaswami who has written the Cash Book on those dates that has misappropriated those moneys. I cannot accept that statement of Accused 2 because on 15.7.1925,15.12.1925 and 1.3.1926 though P.W.18 P.V. Rangaswami has written the Cash book Accused 2 has signed the Cash book as Cashier and on 12.9.1925 the date on which Exhibit P.11 was cashed. Accused 2 himself has written the Cash book. If really Accused 2 had paid those moneys that he got from the Mysore Bank by cashing those cheques to the hands of P.V.Rangaswami and if the latter failed to credit those amounts in the Cash book Accused 2 would surely have taken P.V.Rangaswami to task when he signed the Cash book as Cashier on those dates. The statement of Accused 2 that he has not used any documents which were not genuine to his knowledge cannot also be accepted. Perhaps by making that statement the attempt of Accused 2 seems to be show that he did not as a matter of fact use Exhibit P.74 forged promisory note for making the entry Exhibit P.70 (c) in the advance on F.D.ledger and that he made that entry Exhibit P.70 (c) on the basis of the entry that was in the Cash book. I do not see any force in any such contention of Accused 2 because there is clear evidence that Accused 1 and Accused 2 in conspiracy with each other fraudulently got that sum of Rs.11,000/- from the Apex Bank by falsely showing in the accounts of the Bank as though that sum was borrowed by Mrs.Puttamma Ramaswami on the security of her fixed deposit and in order to cover up the false debits that they had made in the accounts of P.W.2, P.W.16 and P.W.19 and it was for that purpose that the forged promisory note Exhibit P.74 was made use of. It is provided in Section 34 of the Indian Penal Code that when a criminal act is done by several persons in furtherance of the common intention of all, each of such persons is liable for that act in the same manner as if it was done by him alone. It therefore follows that Accused 2 is equally guilty with Accused 1 of the offence of dishonestly using Exhibit P.74 forged promisory note as a genuine document. I am not inclined to believe the statement of Accused 2 that personally he knows nothing of the loan of Rs.11,000/- granted to Srimathi Puttamma or any of the transactions connected with it. I have already given my reasons to show that he was also an active party to that fraud. The statement of Accused 2 that if all the account books of the Bank are examined in detail from 1925 to date all the amounts belonging to the Bank can be accounted for in a proper and legitimate manner appears to me to be very extra-ordinary. Perhaps he bases that statement on the somewhat extra-ordinary evidence that is given by his relative Mr.V.Srinivasa Raghavachar, Auditor who is examined as P.W.6 and who has been treated as hostile by the prosecution. Though P.W.6 has in his evidence stated that the amounts mentioned in the four cheques Exhibits P5, P11, P12 and P14 have not been brought into the Cash Book Exhibit P7. he made an extra-ordinary statement that it does

does no necessarily follow that the balance sheet for that year is incorrect and that unless he examines all the books of the Bank in detail from 3.7.1925 up to 30-6-1927 he cannot say how the amounts of the said four cheques have not been brought on to the balance sheet for the years 1925-26 and 1926-27 and for that purpose he requires at least fortnight. In his cross examination by Accused 2's learned Advocate he has deposed as follows:-

"Till I was examined in the committing Magistrate's Court I was under the impression that all the figures were correct. Neither in the Committing Magistrate's Court nor in this Court was I asked whether the other figures in the accounts of the Bank were correct or not. I have not examined that position nor was I asked to examined that position. I cannot swear to the fact whether the other figures are correct or not. Without examining all the accounts of the Bank denovo I cannot say whether the other figures are correct or not."

I am inclined to attach much weight to that evidence of 6 as he appears to me to be interested in Accused 2, being admittedly his close relative. Nor can I accept the statement of Accused 2 that if all the account books of the Bank are examined in detail from 1925 up to date all the amounts belonging to the Bank can be accounted for in a proper and legitamate manner as that appears to me to be an extravagent statement made by Accused 2. It was argued by Mr. Genesha Rao for Accused 2 that there used to be cases of omissions in the accounts of the Apex Bank and such omissions used to be got rectified whenever they were detected and so it is not unlikely that Accused 2 may have paid the amount of the cheques Exhibits P5, P11, P12 and P14 to the Apex Bank after cashing those cheques and that somehow or other the Bank without bringing those amounts into the Cash book may have lent those moneys to some of its constituents and if all the account books are overhauled from 1925 up to now it may be possible to find out how those amounts have been dealt by the Bank. As an instance in point he referred to Exhibit P.119 (a) where a cheque for Rs.4,264-2-0 drawn on the Imperial Bank and presented to the Apex Bank by Mrs. Puttamma Ramaswami on 9th August 1933 and credited to her suspense account was called back and that a reversal entry regarding that cheque was not made untill 30th June 1934 and it was only on that date that it was reversed by means of adjustment slip No.291. I do not think that instance can in any way help Accused 2's case. At least in that instance the mistake, if at all, was found out on the closing day of the year 1933-34 when the Bank reconciliation statement was prepared and it was adjusted that day. Similarly if through any mistake the sums of Exhibits P5, P.11, P12 and P14 had not been brought into the Cash Book on the dates in which they were cashed but were differently disposed of by the Bank in some other manner that mistake must have been found out at least at the close of the year 1925-26 by Accused 2 who was the person that was maintaining the ledger relating to the Mysore Bank and was preparing the Bankreconciliation statement at the end of each year and that mistake must have been got rectified by him by means of necessary adjustment slips. As that had not been done the point urged by Mr. Ganesha Rao on behalf of Accused 2 does not appear to me to be of much force. Mr. Banesha Rao has got exhibited a number of vouchers Exhibit D series relating to Advances on fixed deposits to show that in all those cases payments have

have been made to persons without identification and that those vouchers were indiscriminately being written either by P.V.Rangaswami or by Accused 2 or by P.W.20 Srinivasamurthy I do not think that Exhibit D series can in any way help the case of Accused 2. In none of those instances was the amount paid so heavy as Rs.11,000/-.

"Extract".

xx xx xx

25. The following is the statement made by the Accused 2 before this Court:-

"I have not committed any of the offences for which I am charged. I have not misappropriated any money of the Bank. I have not falsified any entries, account books or documents of the Bank. I have not used any documents of the Bank. I have not used any documents which were not genuine to my knowledge. All the entries in books of account or other documents in the Bank have been made in perfect good faith and on the basis of the information at the Bank in the usual course. Usually the person doing duty as the Cashier for the day was writing the Cash book. Mr.P.V.Rangaswami has worked as Cashier on several days. In the usual course of business all the officials of the Bank were doing the normal work of other officials as occasions arose. I have carried moneys on behalf of Accused 1 some times at his request and paid them over in accordance with his instructions but I have never utilised or appropriated any of his moneys. Personally I know nothing of the loan of Rs. 11,000/- granted to Srimathi Puttamma or any of the transactions connected with it. In the usual course I post my ledger from the Cash Book fully believing that the entries were genui The evidence of Mr.K.R.Srinivasamurthy regarding the instructions alleged to have been given by me for the preparation if the challans in question is false. I must have deposited Rs. 5,500/- in the Bank of Mysore in normal course of business and A.Shama Rao are not speaking the truth. Mr.R.Subramaniah is not speaking correctly. The transactions relating to him must have been done in accordance with the instructions received at the Bank either from him personally or through his representatives. The entries in the books relating to loans of Mrs.Saraswati Bai Venkoba Rao and Mrs.Subbamma Ramiah must be genuine and they must have been made in usual course of business on the basis of information available at the Bank. These ladies are evidently making mistakes in their statements The entries relating to the constituents have always been made in accordance with instructions received from them in the usual course. If all the account books of the Bankers examined in detail from 1925 to date all the amounts belonging to the Bank can be accounted for in a proper and legitamate manner. At this distance of time I am unable to give any further particulars of the transactions in issue or of the entri or documents connected with the case. Errors in the books of the Bank are the result of bonafide mistakes. The staff was all along inadequate and I was invariably over-worked. It is in this way that such errors have crept in. I have not committed any offence whatever either by commission or omission. I am innocent."

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"Extract".

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V.K.Ramakrishnaiya
for Genl Secy.